

**PUBLIC ACCOUNTS
OF THE
GOVERNMENT OF NUNAVUT
FOR THE YEAR ENDED MARCH 31, 2009**

**HONOURABLE KEITH PETERSON
Minister of Finance**

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Minista Maniliqiyini
Minister of Finance
Ministre des Finances

**THE HONOURABLE EDNA ELIAS
COMMISSIONER OF NUNAVUT**

I have the honour to present the Public Accounts of Nunavut for the fiscal year ended March 31, 2009. I would ask that these accounts be laid before the Legislative Assembly in accordance with the *Financial Administration Act*, R.S.N.W.T., 1988, c.F-4, S. 74 as amended, and duplicated for Nunavut, and the *Nunavut Act*, S.C. 1993, C.28, s.44.

The Honourable Keith Peterson
Minister of Finance

Government of Nunavut
Iqaluit, Nunavut

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**Public Accounts of the
Government of Nunavut
March 31, 2009**

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SECTION I
CONSOLIDATED FINANCIAL STATEMENTS

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MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

The preparation of these consolidated financial statements for the Government of Nunavut, and related information contained in the Public Accounts, is the responsibility of management through the Department of Finance.

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) for governments recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. When GAAP permits alternative accounting methods, management has chosen those it believes are most appropriate. Where required, management's best estimates and judgments have been applied in the preparation of these consolidated financial statements.

The Government fulfils its accounting and reporting responsibilities, through the Department of Finance, by maintaining systems of financial management and internal control. These systems are continually enhanced and modified to provide accurate information, to safeguard and control the Government's assets, and to ensure that all transactions are in accordance with the *Financial Administration Act*.

The Public Accounts are referred to the Standing Committee on Oversight of Government Operations and Public Accounts after they have been tabled in the Legislative Assembly. The recommendations of this Committee will be reviewed and acted upon, where appropriate, to improve financial management, financial reporting practices and the systems of internal control.

The Auditor General of Canada conducts an annual audit of the consolidated financial statements in order to express an opinion as to whether the statements present fairly, in all material respects, the financial position, results of operations and accumulated surplus, change in net financial assets (debt) and cash flow for the year. During the course of the audit, she also examines transactions that have come to her notice, to ensure that they are, in all significant respects, within the statutory powers of the Government and those organizations included in the consolidation. The Auditor General's opinion is included with the consolidated financial statements.



Peter Ma
Deputy Minister of Finance
and Interim Comptroller General

June 21, 2010

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AUDITOR'S REPORT

To the Legislative Assembly of Nunavut

I have audited the consolidated statement of financial position of the Government of Nunavut as at March 31, 2009 and the consolidated statements of operations and accumulated surplus, change in net financial assets (debt) and cash flow for the year then ended. These financial statements are the responsibility of the Government. My responsibility is to express an opinion on these financial statements based on my audit.

Except as explained in the following paragraph, I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Government, as well as evaluating the overall financial statement presentation.

Because the Nunavut Business Credit Corporation (NBCC), an entity fully consolidated in these financial statements, did not maintain proper book of accounts, a denial of opinion was issued on the NBCC March 31, 2009 financial statements. As a result, I am unable to determine whether any adjustments to NBCC's recorded or unrecorded assets, recorded or unrecorded liabilities and the components making up its statements of operations and equity, have a material effect on these financial statements.

In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself with respect to NBCC's assets, liabilities and the components making up the statements of operations and equity of NBCC as described in the above paragraph, these consolidated financial statements present fairly, in all material respects, the financial position of the Government as at March 31, 2009 and the results of its operations, the change in its net debt and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

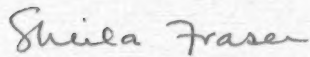
The Auditor's Report for the 2008 fiscal year also contained a similar qualification.

In my opinion, except for the failure of the Government to meet the deadline for tabling consolidated financial statements and the effect of non compliance with the authorities of the Nunavut Business Credit Corporation as described in the following paragraphs, the transactions of the Government and of those organizations listed in Note 1 to the consolidated financial statements that have come to my notice during my audit of the consolidated financial statements have, in all significant respects, been in accordance with the Government's powers under the *Nunavut Act*, the *Financial Administration Act* of Nunavut and regulations and the specific operating authorities disclosed in Note 1 to the consolidated financial statements.

Under section 44 of the *Nunavut Act*, the Government is required to table its consolidated financial statements in the Legislative Assembly by December 31 each year for the fiscal year ended in March that year. The Government has not tabled its consolidated financial statements by the deadline.

The transactions of the Nunavut Business Credit Corporation have not, in all significant respects, been in accordance with Part IX of the *Financial Administration Act* of Nunavut and regulations, the *Nunavut Business Credit Corporation Act* and regulations and the by-laws of the Corporation. Section 89 of the *Financial Administration Act* of Nunavut requires that the Corporation establish the form and content of financial records in accordance with generally accepted accounting principles and practices and establish and maintain systems and procedures to ensure that financial and other assets are properly managed, accounted for and controlled and that all payments are properly authorized. The Corporation did not maintain proper books of account.

Further, the *Nunavut Business Credit Corporation Act* and regulations require that significant changes to the terms and conditions of loans be approved by the person(s) who initially approved the loan, either the Minister or the Board of Directors. We noted that changes with respect to interest rates charged have not yet been approved by either the Minister or the Board of Directors as required.



Sheila Fraser, FCA
Auditor General of Canada

Ottawa, Canada
June 21, 2010

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Consolidated Statement of Financial Position
as at March 31, 2009
(thousands of dollars)

	2009	2008 (Restated - Note 3)
Financial assets		
Cash and cash equivalents (Note 4)	\$ 325,464	\$ 392,751
Portfolio and other investments (Note 5)	14,917	14,395
Due from the Government of Canada (Note 6(a))	73,617	60,209
Other revenues receivable (Note 6(b))	61,380	76,708
Inventories for resale (Note 7(a))	93,646	51,043
Loans receivable (Note 8)	18,400	20,742
Total financial assets	587,424	615,848
Liabilities		
Accounts payable and accrued liabilities (Note 9)	270,949	266,913
Employee future benefits (Note 10(a))	20,461	22,188
Pension liabilities (Note 10(b))	4,867	5,479
Long term debt (Note 11)	90,335	94,850
Capital lease obligations (Note 12)	110,416	118,080
Deferred revenue and capital contributions (Note 13)	183,396	147,688
Total liabilities	680,424	655,198
Net financial assets (debt)	(93,000)	(39,350)
Non-financial assets		
Tangible capital assets (Schedule B)	1,441,934	1,342,279
Inventories for use (Note 7(b))	15,890	13,287
Prepaid expenses	4,102	4,850
Total non-financial assets	1,461,926	1,360,416
Accumulated surplus	\$ 1,368,926	\$ 1,321,066
Contractual obligations (Note 15)		
Contingencies (Note 16)		

The accompanying notes and schedules are an integral part of these consolidated financial statements.

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

**Consolidated Statement of Operations and Accumulated Surplus
for the year ended March 31, 2009
(thousands of dollars)**

	2009	2008 (Restated - Note 3)
Revenues (Schedule A)		
From the Government of Canada	\$ 1,146,965	\$ 1,080,695
Revenues generated by the Government of Nunavut	342,699	301,887
Total revenues	1,489,664	1,382,582
Expenses (Note 14)		
Community and Government Services	360,816	311,842
Health and Social Services	311,540	276,049
Education	229,216	209,058
Nunavut Housing Corporation	178,957	163,804
Finance	124,969	114,745
Economic Development and Transportation	78,575	76,601
Justice	73,417	65,265
Environment	22,669	19,227
Culture, Language, Elders and Youth	18,487	18,882
Human Resources	16,995	16,802
Legislative Assembly	13,353	13,344
Executive and Intergovernmental Affairs	12,810	13,444
Total expenses	1,441,804	1,299,063
Surplus for the year	47,860	83,519
Accumulated surplus, beginning of the year	1,321,066	1,237,547
Accumulated surplus, end of the year	\$ 1,368,926	\$ 1,321,066

The accompanying notes and schedules are an integral part of these consolidated financial statements.

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Consolidated Statement of Change in Net Financial Assets (Debt)

for the year ended March 31, 2009

(thousands of dollars)

	2009	2008
		(Restated - Note 3)
Surplus for the year	\$ 47,860	\$ 83,519
Tangible capital assets (Schedule B)		
Additions	(173,656)	(169,381)
Amortization	71,907	63,580
Disposals	2,094	504
	(99,655)	(105,297)
Net use (additions) of inventories for use	(2,603)	152
Net use (additions) of prepaid expenses	748	715
	(1,855)	867
Change in net financial assets (debt) for the year	(53,650)	(20,911)
Net financial assets (debt), beginning of the year	(39,350)	(18,439)
Net financial assets (debt), end of the year	\$ (93,000)	\$ (39,350)

The accompanying notes and schedules are an integral part of these consolidated financial statements.

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Consolidated Statement of Cash Flow

for the year ended March 31, 2009

(thousands of dollars)

	2009	2008 (Restated - Note 3)
Cash provided by (used for) government operations:		
Transfers from the Government of Canada	\$ 1,169,408	\$ 1,058,559
Taxes	70,466	54,427
Other government revenues	274,510	228,867
Interest payments on long term debt	(6,051)	(6,209)
Interest payments on capital leases	(8,636)	(9,757)
Compensation and employee benefits	(393,022)	(361,652)
Grants and contributions	(182,180)	(170,316)
Goods and services	(808,600)	(583,175)
Cash provided by (used for) government operations	115,895	210,744
Cash provided by (used for) capital activities:		
Tangible capital asset acquisitions	(173,656)	(169,381)
Tangible capital asset disposals	119	274
Cash provided by (used for) capital activities	(173,537)	(169,107)
Cash provided by (used for) investing activities:		
Loan repayments received	6,085	3,867
Portfolio and other investments	(485)	(870)
Loans to municipalities, businesses and individuals	(1,311)	(1,575)
Cash provided by (used for) investing activities	4,289	1,422
Cash provided by (used for) financing activities:		
Increased principal on long term debt	-	8,000
Principal payments on capital leases	(8,908)	(7,427)
Principal payments on long term debt	(5,026)	(4,963)
Cash provided by (used for) financing activities	(13,934)	(4,390)
Increase (decrease) in cash and cash equivalents	(67,287)	38,669
Cash and cash equivalents, beginning of the year	392,751	354,082
Cash and cash equivalents, end of the year (Note 4)	\$ 325,464	\$ 392,751

The accompanying notes and schedules are an integral part of these consolidated financial statements.

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Notes to Consolidated Financial Statements

March 31, 2009*(thousands of dollars)*

1 AUTHORITY AND OPERATIONS**Authority and reporting entity**

The Government of Nunavut (the Government) operates under the authority of the *Nunavut Act* (Canada). The Government has an elected Legislative Assembly which authorizes all disbursements, advances, loans and investments, except those specifically authorized by statute.

These consolidated financial statements are prepared to meet the financial reporting requirements in the *Nunavut Act* (Canada) and the *Financial Administration Act* (Nunavut). The consolidated financial statements present summary information and serve as a means for the Government to show its accountability for the resources, obligations and financial affairs for which it is responsible.

The reporting entity of the Government of Nunavut includes all departments, agencies, corporations, organizations, and funds, which are controlled by the Government. For financial reporting purposes, control is defined as the power to govern the financial and operating policies of an organization with benefits from the organization's activities being expected, or the risk of loss being assumed by the Government. All organizations that meet the definitions in the *Financial Administration Act* for departments, revolving funds, territorial corporations or other public agencies are included in the reporting entity (except for the Workers' Compensation Board). The financial activities of all these entities are consolidated in these financial statements.

The following organizations comprise the reporting entity represented by these consolidated financial statements. Unless indicated otherwise they have March 31st year ends. These organizations are accountable to and are controlled by the Government.

Consolidated Revenue Fund, including those departments and public agencies set out in the Government's Main Estimates

Revolving Funds

Fur Marketing Service Revolving Fund

Liquor Revolving Fund

Nunavut Outfitters Liability Protection Revolving Fund

Petroleum Products Revolving Fund

Public Stores Revolving Fund

Student Loan Revolving Fund

Territorial Corporations

Nunavut Housing Corporation

Nunavut Arctic College (*June 30th year end*)

Nunavut Development Corporation (including subsidiaries)

Nunavut Business Credit Corporation

Qulliq Energy Corporation

District Education Authorities (*June 30th year end*)

Authority for Operations

Financial Administration Act

Revolving Funds Act

Nunavut Housing Corporation Act

Public Colleges Act

Nunavut Development Corporation Act

Nunavut Business Credit Corporation Act

Qulliq Energy Corporation Act

Education Act

All entities included in the reporting entity are fully consolidated on a line-by-line basis. Significant transactions and balances between consolidated entities are eliminated.

For segmented disclosure reporting purposes, summary information has been provided based on the accountability and control relationships between the Government and the various organizations within the reporting entity using categorization or groupings of organizations noted above.

Budget

A comparison of budgeted and actual results is provided in the Government's unaudited non-consolidated financial statements included in Section II of the Public Accounts.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Financial statements

These financial statements are prepared in accordance with Canadian generally accepted accounting principles (GAAP) for the public sector as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA) as required by Section 45 of the *Nunavut Act*. Accordingly, the Government has adopted the recommendations of the PSAB as the primary basis of its accounting policies.

(b) Use of estimates and measurement uncertainty

The preparation of financial statements in accordance with GAAP requires the Government to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. By their nature, these estimates and assumptions are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these financial statements, the Government believes the estimates and assumptions to be reasonable.

The more significant management estimates relate to employee future benefits, environmental liabilities, contingencies, revenue accruals, amortization expenses and valuation allowances on loans and other receivables.

(c) Cash and cash equivalents

Cash and cash equivalents are comprised of bank account balances, net of outstanding cheques, and short term highly liquid investments that are readily convertible to cash and usually with a maturity date of 180 days or less from the date of acquisition.

(d) Portfolio investments

Portfolio investments are long term investments in organizations that do not form part of the government reporting entity and are accounted for by the cost method. Such investments are normally in shares or bonds of the investee. Where there has been a loss in value of a portfolio investment that is other than a temporary decline, the investment is written down to recognize the loss, which is included as a component of investment income. Interest income is recorded on the accrual basis, dividend income is recognized as it is declared, and capital gains and losses are recognized when realized.

(e) Inventories

Inventories for resale include bulk fuel, liquor products and finished goods. Bulk fuel and finished goods are valued at the lower of weighted average cost or net realizable value. Liquor products are valued at the lower of cost or net realizable value on a first-in, first-out basis.

Inventories for use include fuel, supplies and lubricants, health and medical supplies, and raw materials and work in progress. Fuel inventory is valued at the lower of cost or replacement cost, with the cost being determined on a weighted average basis. Supplies and lubricants, health and medical supplies, as well as raw materials and work-in-progress inventory items are valued at the lower of cost or replacement costs, with the cost being determined on a first-in, first-out basis.

(f) Loans receivable

Loans receivable are valued at the lower of cost or net recoverable value. Based on the circumstances known at the date the consolidated financial statements are prepared, including past events and current conditions, valuation allowances are recorded when collection is considered doubtful or when the value of a loan receivable is impaired. Interest revenue is recorded on an accrual basis when the collectability of both principal and interest are reasonably assured. An uncollectable or impaired loan receivable balance can be written off only upon receipt of required statutory approvals.

(g) Non-financial assets

Non-financial assets, including tangible capital assets, inventories for use and prepaid expenses, are recognized on the consolidated Statement of Financial Position only if they are expected to be used to provide government services in future years. These assets would not normally be used to provide financial resources to discharge liabilities of the Government unless they were sold. Non-financial assets are amortized or charged to expenses in future periods as they are used to provide or support the provision of government services.

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Notes to Consolidated Financial Statements

March 31, 2009

(thousands of dollars)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Tangible capital and leased assets

Tangible capital assets are non-financial assets whose useful life exceeds one fiscal year and are intended to be used on an ongoing basis for delivering government services. They may include such diverse items as buildings, vehicles, equipment, aircraft and computer hardware and software systems. Tangible capital assets with a cost of less than fifty thousand dollars are fully expensed in the year of acquisition.

Tangible capital assets are recorded at cost, or where actual cost is not available, estimated current replacement cost converted back to the date of purchase by discounting current year dollars for inflation. Gifted and cost-shared tangible capital assets are recorded at fair market value upon receipt or cost, respectively, with the gifted or cost-shared portion recorded as a deferred capital contribution, and recognized as revenue on the same basis as the related asset is amortized.

Leased assets that meet the definition of a tangible capital asset, except that they are held under lease by the Government, are capitalized and reported as such if, in substance, their terms and conditions transfer substantially all of the benefits and risks of ownership to the Government. Legal ownership may not necessarily have been transferred. The lease liability and corresponding asset are recorded based on the present value of payments due over the course of the lease. The present value is based on a specified rate or the Government's borrowing rate at the time the obligation is incurred.

Tangible capital assets, when placed into service, are amortized on a straight-line basis over their estimated useful life. The assets are amortized based on the following guidelines.

Asset Category	Amortization Period
Land	Not amortized
Buildings	30 years
Leased Buildings	30 years
Infrastructure	30 years
Tank Farms	30 years
Storage Facilities	30 years
Equipment	5 years
Electric Power Plants	20-40 years
Transmission Distribution Systems	20-40 years
Heavy Equipment	5-40 years

Tangible capital assets under construction or development are recorded as work in progress with no amortization taken until the year the asset is placed into service.

Tangible capital assets acquired by right, such as Crown lands, water and mineral resources, are not recorded in the financial statements. The cost of works of art and museum collections consisting mainly of paintings, sculptures, drawings, prints and photographs are charged to expense in the year they are acquired.

(i) Pension and other employee future benefits

Pension benefits

All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The Government contributes at a rate of 2.14 times (2008 - 2.14 times) the employee's contribution. The Government's contributions are charged as an expense on a current year basis and represent the total pension obligations. The Government is not required under present legislation to make contributions with respect to actuarial deficiencies of the Plan.

The costs and obligations for the Government's pension benefits to Members of the Legislative Assembly are determined on an actuarial basis. This is done to determine the present value of future entitlements and uses various estimates. When actual experience varies from estimates, the adjustments needed are amortized over the estimated average remaining service lives of the contributors.

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS

Notes to Consolidated Financial Statements

March 31, 2009

(thousands of dollars)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Non-pension employee future benefits

Under the terms and conditions of employment, Government employees may earn severance and removal benefits based on years of service. These benefits are paid upon resignation, retirement or death of the employee. The estimated liability and related expenses for these benefits are recorded as employees earn them. Termination benefits are recorded when employees are identified for lay-off. An actuarial valuation of the cost of these benefits has been prepared using data provided by management and assumptions based on management's best estimates.

(j) Contractual obligations and contingencies

The nature of the Government's activities requires negotiation of contracts that are significant in relation to its current financial position or that will materially affect the level of future expenses. Contractual obligations pertain to block funding agreements with municipalities, operating commercial leases, capital projects and operational funding commitments. Contractual obligations are not accrued until the terms of those contracts or agreements are met.

The contingencies of the Government are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is likely to occur or fail to occur and is quantifiable, an estimated liability is accrued. If the likelihood is not determinable or the amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements and no liability is accrued. Contingent liabilities result from potential environmental contingencies or pending litigation and like items.

(k) Environmental liabilities

Environmental liabilities consist of the estimated costs related to the remediation of environmentally contaminated sites. An environmental liability is accrued and an expense recorded based on management's best estimates at the time the contamination occurs or when the Government becomes aware of the contamination and is obligated or is likely obligated to incur such costs. If the likelihood of the Government's obligation to incur these costs is not determinable or if an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements and no liability is accrued. Environmental liabilities are reported as part of accounts payable and accrued liabilities.

(l) Revenues

Unless otherwise stated, all revenues are recognized and reported on an accrual basis in the period in which transactions or events give rise to the revenues. Specific revenue accounting policies are as follows:

Transfers from the Government of Canada

Grants from the Government of Canada are recognized as revenue when entitlement for the transfer occurs. The Government receives a Formula Financing grant from the Government of Canada. For the years 2007-08 to 2013-14, the Government of Canada has, under Bill C-52, the *Budget Implementation Act, 2007*, restored the Formula Financing grant to a principle-based arrangement. Health and social transfers are recorded in accordance with the *Federal-Provincial Fiscal Arrangements Act* (Canada). Adjustments for health and social transfer revenues are made in the year they are known.

Other transfers from the Government of Canada are recognized as revenue in the period that the events giving rise to the transfer occur as long as: (i) the transfer is authorized; (ii) the Government has met any eligibility criteria; and (iii) a reasonable estimate of the amount of the transfer can be made. Transfers received before these are fully met are recorded as deferred revenue until the criteria are met.

Taxes and general revenues

Income tax revenue is recognized on an accrual basis. Taxes, under the *Income Tax Act*, are collected by the Government of Canada on behalf of the Government under a tax collection agreement and are remitted to the Government monthly. The remittances are based on the Government of Canada's estimates for the taxation year, which are periodically adjusted until the income tax assessments for that year are finalized.

Fuel, tobacco and payroll taxes are levied under the authority of the *Petroleum Products Tax Act*, the *Tobacco Tax Act* and the *Payroll Tax Act*, respectively. Revenues are recognized on an accrual basis based on the statements received from collectors or employers. Adjustments from reassessments are recorded in revenue in the year they are identified.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Property taxes are assessed on a calendar year basis and are recorded on an accrual basis in the fiscal year in which the calendar year ends. Other taxes are accrued based on information provided by those parties which collect tax on the Government's behalf.

(m) Expenses

Expenses are recorded on an accrual basis.

Grants and contributions made by the Government are recorded as expenses when the following criteria are all met: (i) the grant or contribution has the necessary authorization; (ii) the recipient has met any eligibility criteria; and (iii) a reasonable estimate of the amount of the expense can be made. Grants or contributions paid prior to all three conditions being met are accounted for as prepaid expenses until all conditions are met by the recipient.

(n) Financial instruments

The fair values of short term financial instruments, including accounts payable and accrued liabilities, cash and cash equivalents, portfolio and other investments (with terms of maturity of less than 12 months), due from the Government of Canada and other revenues receivable approximate their carrying amounts because of their short term to maturity.

The fair value of the Government's long term financial instruments, including long term debt, capital lease obligations, pension liabilities, portfolio and other investments (with terms of maturity of greater than 12 months), and loans receivable, are detailed in the related notes. Where fair value amounts are not detailed, the carrying amounts approximate their fair value.

(o) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars using the exchange rates at year end. Foreign currency revenues and expenses are translated into Canadian dollars using rates in effect at the time the transactions were entered into. Exchange gains and losses are accounted for in the revenue and expense balances to which they relate.

3 ACCOUNTING CHANGES - RESTATEMENT OF 2008 BALANCES

The March 31, 2009 consolidated financial statements have been prepared taking into account various corrections to, and restatement, of previously reported balances. Where appropriate, the 2008 comparative balances have been restated to reflect these accounting changes. The more significant of the restatements are described below.

(a) In prior years, the costs of infrastructure and other assets the government developed or purchased for communities have been accounted for as tangible capital assets. The ongoing use of and benefits from these assets, which support the delivery of programs and services in the communities, are controlled by the community-level governments. A 2009 review of the accounting for these tangible capital assets concluded that several of their costs should have more appropriately been accounted for as grants and contribution expenses.

This review also identified a number of errors in the detailed year end inventory continuity listings supporting the tangible capital asset balances in prior years. Significant items were left in work in progress (i.e., not subject to annual amortization) even though the assets had been put into use in prior years. In addition, items were capitalized that did not meet the government's tangible capital asset policy.

As a result of the above TCA-related corrections and other minor adjustments, the 2008 balances in these consolidated financial statements have been restated as follows. The net book value of government's tangible capital assets decreased by \$110,223, other revenues receivable increased \$4, accounts payable and accrued liabilities increased \$618, deferred revenue and capital contributions decreased \$17,618, revenues increased \$5,278 and expenses increased \$18,370. Overall, the April 1, 2007 opening accumulated surplus decreased \$80,127, the annual surplus for the year ended March 31, 2008 decreased \$13,092 and the March 31, 2008 ending accumulated surplus previously reported decreased \$93,219.

3 ACCOUNTING CHANGES - RESTATEMENT OF 2008 BALANCES (continued)

(b) The 2008 balances in these consolidated financial statements have been restated to reflect the accounting changes and related restatements implemented by the Nunavut Development Corporation (NDC) in its March 31, 2009 financial statements.

Commencing in the 2008 fiscal year NDC paid commissions in some instances to independent contractors for the purchase of carvings. In the 2008 financial statements, these commissions were included in the cost of goods sold and not included in the cost of inventory. Commissions are costs directly attributable to the acquisitions of inventory and they should be considered as part of the cost of inventory.

To correct this prior period error, the inventory for resale balance increased \$127 to included the commission costs and the cost of goods sold decreased \$127. Further, as a result of reclassifications and other changes to NDC's balances, the 2008 balances in these consolidated financial statements have been restated as follows; accounts payables and accrued liabilities decreased \$13, accumulated surplus, beginning of the year decreased \$13, revenues increased \$33 and expenses increased \$33. Overall, the annual surplus for the year ended March 31, 2008 increased \$127 and the March 31, 2008 ending accumulated surplus increased \$140.

(c) The 2008 balances in these consolidated financial statements have been restated to reflect the accounting changes and related restatements implemented by the Nunavut Business Credit Corporation (NBCC) in its March 31, 2009 financial statements.

During 2008, NBCC determined that interest rates had not been consistently applied and interest on loans receivable had not been consistently calculated in 2008 and prior years. Further, in 2009 it was found that two of the loans corrected in 2008 had errors that needed to be adjusted. It was also determined that the interest due to the Government of Nunavut on working capital loans had been calculated incorrectly since the year ended March 31, 2004.

To correct these prior period errors, the 2008 balances reported in these consolidated financial statements have been restated. The loans receivable balance decreased \$49, other revenue receivables increased \$3, accounts payable and accrued liabilities increased \$6, prepaid expenses increased \$2, revenue decreased \$257, expenses decreased \$242 and accumulated surplus, beginning of the year, decreased by \$35. Overall, for the year ended March 31, 2008, the annual surplus and the accumulated surplus, end of the year, decreased \$15 and \$50, respectively.

(d) In its March 31, 2009 financial statements, the Nunavut Housing Corporation (NHC) reported that it had determined that some components for the construction of houses purchased were not recorded in its March 31, 2008 financial statements. As a result, the 2008 balances reported in these consolidated financial statements have been restated to account for the unrecorded items. Land and buildings increased \$13,798 and accounts payable increased \$13,798. There was no impact on accumulated surplus.

As a result of other changes made to the 2008 balances previously reported for NHC, these consolidated financial statements have been restated as follows. The accounts payable and accrued liabilities balance increased \$1, tangible capital assets decreased \$232 and expenses increased \$233.

(e) During the preparation of the government's March 31, 2008 consolidated financial statements certain related party balances included in the financial statements of the Nunavut Arctic College and the District Education Authorities were not properly eliminated.

To correct these prior period errors, the 2008 balances in these consolidated financial statements have been restated. The cash and cash equivalents balance has been increased by \$782, other revenues receivable balance increased by \$1,288, deferred revenue decreased \$2,178, revenues decreased by \$11,116 and expenses decreased \$15,364. Overall the annual surplus and the accumulated surplus for the year ended March 31, 2008 increased \$4,248.

(f) During the March 31, 2008 consolidation process for Qulliq Energy Corporation, accounting policy and elimination adjustment errors were made. As a result, the 2008 balances reported in these consolidated financial statements have been restated as follows.

The tangible capital asset balance for 2008 increased \$300, revenues increased \$2,883, expenses increased \$2,583 and the annual surplus for the year ended March 31, 2008 increased by \$300.

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3 ACCOUNTING CHANGES - RESTATEMENT OF 2008 BALANCES (continued)

The following summarizes the changes to previously reported balances for the 2008 comparative balances included in these consolidated financial statements as a result of the correction of errors and other restatements.

Financial Statement Line Items	Previously Reported Balances	Increase (Decrease)	Restated Balances
Cash and cash equivalents	\$ 391,969	\$ 782	\$ 392,751
Other revenues receivable	75,413	1,295	76,708
Inventories for resale	50,916	127	51,043
Loans receivable	20,791	(49)	20,742
Total financial assets	613,693	2,155	615,848
Accounts payable and accrued liabilities	252,503	14,410	266,913
Deferred revenue and capital contributions	167,484	(19,796)	147,688
Total liabilities	660,584	(5,386)	655,198
Net financial assets (debt)	(46,891)	7,541	(39,350)
Tangible capital assets	1,438,636	(96,357)	1,342,279
Prepaid expenses	4,848	2	4,850
Total non-financial assets	1,456,771	(96,355)	1,360,416
Accumulated surplus (deficit)	\$ 1,409,880	\$ (88,814)	\$ 1,321,066
Total revenues	\$ 1,385,761	\$ (3,179)	\$ 1,382,582
Total expenses	1,293,577	5,486	1,299,063
Surplus (deficit) for the year	92,184	(8,665)	83,519
Accumulated surplus (deficit), beginning of the year	1,317,696	(80,149)	1,237,547
Accumulated surplus (deficit), end of the year	\$ 1,409,880	\$ (88,814)	\$ 1,321,066

4 CASH AND CASH EQUIVALENTS

	2009	2008
		(Restated - Note 3)
Cash	\$ 278,843	\$ 190,338
Designated cash	1,147	1,029
Short term investments	45,474	201,384
	\$ 325,464	\$ 392,751

Designated cash represents funds reserved for further investments or financing for subsidiary business enterprises and venture investments.

Cash and cash equivalents include investments in a diversified portfolio of high grade, short term income producing assets. The portfolio yield for the year ended March 31, 2009 varied from 0.4% to 4.0% (2008 - 3.15% to 4.92%). All instruments held are in high quality debt obligations, rated R-1 Low or better by the Dominion Bond Rating Service, with an average term to maturity of 152 days (2008 - 102 days).

5 PORTFOLIO AND OTHER INVESTMENTS

Portfolio and other investments include the following at March 31.

	2009 Effective Rate of Return	2009 Term to Maturity	2009 Carrying Value	2008 Carrying Value
Portfolio investments				
Government of Canada	variable	1 to 7 years	\$ 917	\$ 1,026
Trust Company	3.55%	1 year	-	1,015
Provincial Governments	4.48%	1 to 8 years	8,093	6,694
			9,010	8,735
Other investments				
SRAF designated investments			5,907	5,660
			\$ 14,917	\$ 14,395

The market value of the portfolio investments at March 31, 2009 was \$9,143 (2008 - \$8,905), with an average yield in 2009 of 4.38% (2008 - 4.14%).

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5 PORTFOLIO AND OTHER INVESTMENTS (continued)

The Supplementary Retiring Allowances Fund (SRAF) of the Legislative Assembly investments cannot be used to discharge other obligations incurred by the Government. The investments are managed by a third party. The Statement of Investment Policy establishes the eligible classes of securities, categories of issuers, limits and terms. The market value of SRAF investments at March 31, 2009 was \$5,115 (2008 - \$5,907) with a negative return of 16.08% (2008 - negative 2.49%).

6 REVENUES RECEIVABLE

	2009	2008
(a) Due from the Government of Canada		
Health Canada	\$ 16,000	\$ 14,465
Infrastructure Funds	13,887	4,106
Goods and Services Tax	10,899	16,035
Official Languages	5,830	6,916
Transport Canada Programs	3,694	5,276
Canada Mortgage and Housing Corporation	3,452	3,452
Department of Indian and Northern Affairs	674	274
Other receivables	19,181	9,685
	<u>\$ 73,617</u>	<u>\$ 60,209</u>
(b) Other revenues receivable	2009	2008
		(Restated - Note 3)
Other accounts receivable of the Petroleum Products Division	\$ 26,978	\$ 20,314
Other accounts receivable of other departments	25,700	44,311
Other accounts receivable of the Territorial Corporations	32,321	29,845
	<u>84,999</u>	<u>94,470</u>
Less: Allowance for doubtful accounts	(23,619)	(17,762)
	<u>\$ 61,380</u>	<u>\$ 76,708</u>

7 INVENTORIES

	2009	2008
(a) For resale		(Restated - Note 3)
Bulk fuels	\$ 89,900	\$ 47,591
Liquor products	1,081	980
Finished goods	2,373	2,189
Packaging materials and supplies	292	283
	<u>\$ 93,646</u>	<u>\$ 51,043</u>

The write-down for bulk fuels inventory for 2009 was \$2,103 (2008 - \$858).

	2009	2008
(b) For use		
Fuel	\$ 8,939	\$ 7,772
Supplies and lubricants	4,327	3,755
Health and medical supplies	1,967	1,277
Raw materials and work in progress	657	483
	<u>\$ 15,890</u>	<u>\$ 13,287</u>

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8 LOANS RECEIVABLE	2009	2008
		(Restated - Note 3)
Mortgage loans from Nunavut Housing Corporation to individuals with a maximum maturity of 25 years, bearing interest between 6.0% and 14.25%, net of valuation allowance of \$7,244 (2008 - \$7,523).	2,962 \$	3,180
Loans from Nunavut Business Credit Corporation to businesses with a maximum maturity of 25 years, bearing interest between 2.43% and 10.25%, net of valuation allowance of \$1,790 (2008 - \$1,294).	13,679	15,510
Loans to municipalities due in instalments to 2017, bearing interest between 0% and 8%, net of valuation allowance of \$100 (2008 - \$100).	484	849
Student Loan Fund loans due in instalments to 2017, bearing interest between 2% and 12.5%, net of allowances for valuation and forgiveness of \$3,463 (2008 - \$3,344).	1,158	1,122
Other, Qikiqtaaluk Co-op Mall Mortgage, net of valuation allowance of \$240 (2008 - \$240).	117	81
	\$ 18,400	\$ 20,742

9 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	2009	2008
		(Restated - Note 3)
Payable to related parties		
Workers' Compensation Board	\$ 395	\$ 460
	395	460
Other		
Accounts payable	131,606	121,872
Other liabilities, payroll deductions and contractor holdbacks	107,418	108,893
Vacation pay and lieu time	16,835	15,043
Due to the Government of Canada	10,147	17,140
Due to the Government of the Northwest Territories	4,548	3,505
	270,554	266,453
	\$ 270,949	\$ 266,913

10 PENSION AND EMPLOYEE FUTURE BENEFIT LIABILITIES

(a) Employee future benefit liabilities	2009	2008
Severance	\$ 10,105	\$ 11,311
Removal	10,356	10,877
	\$ 20,461	\$ 22,188

(b) Pension liabilities

i) Public Service Pension Plan

Both the Government and its employees make contributions to the Public Service Pension Plan administered by the Government of Canada. In 2009, the Government's contributions were \$29,148 (2008 - \$26,939).

The amount of the Government's contributions is set by the Government of Canada and represents the Government's sole obligation under this Plan. The Government is not required under present legislation to make contributions with respect to actuarial deficiencies of the Plan.

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10 PENSION AND EMPLOYEE FUTURE BENEFIT LIABILITIES (continued)

ii) Legislative Assembly Retiring Allowances Plans

The Government of Nunavut sponsors two defined benefit pension plans for Members of the Legislative Assembly (MLAs). Both plans are administered by the Management and Services Board of the Legislative Assembly. The plans provide pensions based on length of service and final average earnings. They provide inflation protection based on increases in the Consumer Price Index.

The first plan is the Legislative Assembly Retiring Allowances Fund (LARAF), a registered and contributory defined benefit pension plan established under the *Legislative Assembly Retiring Allowances Act*. The Office of the Legislative Assembly operates a separate pension fund in trust to administer LARAF contributions and allowances. The fund came into effect on April 1, 1999.

The second plan is the Supplementary Retiring Allowances Fund (SRAF), a voluntary non-registered, non-contributory defined benefit pension plan established under the *Supplementary Retiring Allowances Act* for MLAs who elect to participate. Payments and expenses related to the SRAF are paid from the Government's consolidated revenue fund. This plan came into effect during the 2001-02 year, and provides for benefits retroactive to April 1, 1999.

There have been no plan amendments, plan settlements and curtailments or temporary deviations from these plans in 2009 (no changes in 2008).

Actuarial valuations were completed for these plans as of April 1, 2007. The valuations were based on a number of assumptions about future events including inflation rates (3.5%), interest rates (inflation, plus 3%), return on assets (inflation, plus 3%), increases in remuneration (inflation, plus 1%), and mortality. The assumptions used reflect the best estimates as approved by the Management and Services Board of the Legislative Assembly. The valuations were performed using the projected unit credit actuarial cost method. The asset valuation method, market-related value, for the LARAF plan is equal to a smoothed market value which spreads the difference between the actual and expected investment income over a four year period. The effective date of the next actuarial valuations for these plans is April 1, 2010.

Retirement benefits are payable to MLAs based on a percentage of the average best earnings over four consecutive years as a MLA and as a Minister, Speaker or Chairperson (if applicable) multiplied by credited service as a MLA and for each of the three positions (if applicable). A position must be held for a least one year, and the pension for each position is calculated separately. The percentages used to calculate retirement benefits are 2% for the LARAF and 3% for the SRAF.

The normal retirement age under both of these plans is the earliest of (a) age 60, (b) 30 years of service, or (c) age plus service equals 80. A MLA may retire at any time upon ceasing to be a MLA. Early retirement results in a pension reduction of 0.25% for each month a MLA retires before the Normal Retirement Age. The late retirement age for MLAs is up to age 69.

The pension liabilities represent the excess of the actuarial present value of accrued pension benefits over the actuarial value of net assets available for benefits.

Based on information provided for the year by the plans' actuary, the MLA pension liabilities as of March 31 are as follows.

	LARAF		SRAF		2009		2008
Accrued benefit obligation	\$	3,592	\$	5,146	\$	8,738	\$ 8,675
Deduct:							
Pension fund assets		2,817		-		2,817	3,946
Unamortized actuarial (gain) loss		1,538		(484)		1,054	(750)
		4,355		(484)		3,871	3,196
Pension (asset) liability	\$	(763)	\$	5,630	\$	4,867	\$ 5,479

At March 31, 2009, LARAF pension fund assets had a market value of \$3,267 (2008 - \$3,797). The actual rate of return was negative 14.97% (2008 - negative 2.21%). The SRAF has no pension fund assets; however, the pension liability is to be funded all or in part by designated investments (see Note 5).

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10 PENSION AND EMPLOYEE FUTURE BENEFIT LIABILITIES (continued)

LARAF and SRAF actuarial gains/losses are amortized over 2.6 and 2.1 years, respectively (2008 - 3.6 and 3.1 years, respectively), which are the estimated average remaining service lives for contributors to these plans.

The total expenses related to MLA pensions include the following components.

	LARAF	SRAF	2009	2008
Current period benefit cost	\$ 565	\$ 737	\$ 1,302	\$ 1,222
Amortization of actuarial (gains) losses	8	(226)	(218)	(81)
	573	511	1,084	1,141
MLAs contributions	(160)	-	(160)	(157)
Pension expense	413	511	924	984
Interest cost on the average accrued benefit obligation	256	333	589	570
Expected return on the average pension plan assets	(288)	-	(288)	(233)
Pension interest expense	(32)	333	301	337
Total expenses related to pensions	\$ 381	\$ 844	\$ 1,225	\$ 1,321

Pension benefits paid for the LARAF and SRAF were \$1,223 and \$605, respectively (2008 - \$42 and \$427, respectively).

The Government's contributions related to the LARAF and SRAF during the year were \$454 and \$776, respectively (2008 - \$403 and \$734, respectively).

11 LONG TERM DEBT AND BORROWING AUTHORITY LIMIT

Loans and mortgages payable	2009	2008
Loans payable to Canada Mortgage and Housing Corporation, repayable in annual instalments of \$5,142 to the year 2032, bearing interest at a rate of 6.97% (2008 - 6.97%).	\$ 19,329	\$ 20,183
Mortgage payable in annual instalments of \$555 to the year 2020, bearing interest at a rate of 6.803% (2008 - 6.803%) compounded semi-annually.	4,433	4,676
Redeemable 20 year amortizing debenture, bearing interest at a rate of 6.809% (2008 - 6.809%) due September 27, 2021. Repayable in blended semi-annual payments of \$2,848 with a balloon payment of \$17,502 at the end of the term.	54,039	55,958
Non-revolving floating rate term loan facility with payments of \$58 due monthly beginning April 30, 2007 with the final payment due March 30, 2017. Interest at bank prime in 2009 varied from 2.50% to 4.75% (2008 - 5.25% to 6.25%).	5,600	6,300
Non-revolving floating rate term loan facility with payments of \$67 due monthly beginning November 21, 2007 with the final payment due October 21, 2017. Interest at bank prime in 2009 varied from 2.50% to 4.75% (2008 - 5.25% to 6.25%).	6,934	7,733
	\$ 90,335	\$ 94,850

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11 LONG TERM DEBT AND BORROWING AUTHORITY LIMIT (continued)

Principal and interest amounts due in each of the next five fiscal years and thereafter are as follows.

	Principal	Interest	Total
2010	\$ 4,727	\$ 5,669	\$ 10,396
2011	4,952	5,397	10,349
2012	5,192	5,112	10,304
2013	5,450	4,808	10,258
2014	5,727	4,486	10,213
2015 and beyond	64,287	24,217	88,504
	\$ 90,335	\$ 49,689	\$ 140,024

Interest expense on long term debt was \$7,327 for the year (2008 - \$8,194). The interest paid on long term debt during the year was \$8,605 (2008 - \$8,740).

Borrowing Authority

The Governor in Council, pursuant to subsection 27(2) of the *Nunavut Act*, has approved Government borrowing up to \$200 million.

	2009	2008
Qulliq Energy Corporation, long term debt	\$ 66,573	\$ 69,991
Nunavut Housing Corporation, long term debt	19,329	20,183
Government of Nunavut, mortgage payable	4,433	4,676
	90,335	94,850
Qulliq Energy Corporation, bank overdraft liability	10,437	3,515
Nunavut Development Corporation, subsidiary credit facilities	72	245
Total debt	100,844	98,610
Authorized borrowing limit	200,000	200,000
Available borrowing capacity	\$ 99,156	\$ 101,390

The Government of Nunavut guarantees the long term debt of Qulliq Energy Corporation and Nunavut Housing Corporation as well as the bank overdrafts of Qulliq Energy Corporation and Nunavut Development Corporation.

As part of their financing, Nunavut Development Corporation subsidiaries have arranged various credit facilities at different terms and interest rates. Nunavut Development Corporation has provided a guarantee for these credit facilities.

12 CAPITAL LEASE OBLIGATIONS

Capital lease obligations are based upon the minimum lease payments for leases in effect as of March 31.

	2009	2008
Total minimum lease payments	\$ 163,825	\$ 180,911
Less: imputed interest	(46,778)	(54,957)
Less: executory costs	(6,631)	(7,874)
Present value of minimum lease payments	\$ 110,416	\$ 118,080

Future minimum lease payments for each of the next 5 years and thereafter are as follows.

2010	\$ 17,303
2011	17,297
2012	17,286
2013	17,275
2014	16,572
2015 and beyond	78,092
	\$ 163,825

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12 CAPITAL LEASE OBLIGATIONS (continued)

Lease payments are allocated between repayments of the liability, interest expense and any related executory costs. The total minimum lease payments less the initial liability and executory costs represents the total interest cost of the lease. The interest expense is calculated using the same discount rate used in computing the present value of the minimum lease payments applied to the outstanding lease liability at the beginning of the lease payment period.

Interest expense related to capital lease obligations for the year was \$8,264 (2008 - \$8,808) at an implied average interest rate of 7.5% (2008 - 7.5%). The capital lease obligations expire between 2013 and 2027.

13 DEFERRED REVENUE AND CAPITAL CONTRIBUTIONS

	2009	2008
		(Restated - Note 3)
Deferred revenue		
Building Canada Fund	\$ 33,810	\$ -
Gas Tax Agreement	12,722	9,978
Territorial Health Access Fund	6,329	10,347
Other deferred revenue	7,997	3,742
	60,858	24,067
Deferred capital contributions		
CMHC Social Housing Agreement	103,368	109,698
Other deferred capital contributions	19,170	13,923
	122,538	123,621
	\$ 183,396	\$ 147,688

The deferred capital contributions balance as at March 31, 2009 includes \$103,368 (2008 - \$109,698) relating to the 1999 Social Housing Agreement, under the terms of which the Canadian Mortgage and Housing Corporation (CMHC) transferred social housing assets to the Nunavut Housing Corporation (NHC) in exchange for loans payable by NHC to CMHC. The financial assistance provided to NHC in the transfer of the social housing assets has been deferred and is being recognized as revenue over the service life of the associated tangible capital assets.

14 EXPENSES BY TYPE

	2009	2008
		(Restated - Note 3)
Compensation and employee benefits	\$ 393,879	\$ 364,582
Grants and contributions	168,062	161,272
Goods and services	788,284	687,837
Amortization of tangible capital assets	71,907	63,580
Interest expense	13,406	17,339
Increase in valuation allowances	6,266	4,453
	\$ 1,441,804	\$ 1,299,063

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15 CONTRACTUAL OBLIGATIONS

The Government has entered into agreements for, or is contractually obligated for, the following payments subsequent to March 31, 2009.

	Year of Expiration	Total
Commitments under operating leases	2027 \$	235,613
Capital commitments	2014	57,400
Policing agreement	2012	82,830
Other commitments	2014	31,282
	\$	407,125
Contractual obligations by fiscal year are as follows.		
2010	\$	148,249
2011		72,607
2012		52,114
2013		22,491
2014		19,444
2015 and beyond		92,220
	\$	407,125

16 CONTINGENCIES

(a) Post-division adjustments

The agreement governing the division of assets and liabilities between the Government of Nunavut and the Government of the Northwest Territories as at April 1, 1999 sets out a mechanism which provides for post-division adjustments.

The period for such adjustments is unlimited; and such adjustments could be made in a variety of specified circumstances such as the settlement of litigation related to events prior to the date of division. In such an event, there is an opportunity for one of the governments to file a claim against the other government to share in costs. Post-division adjustments will be recognized in the year the liability can be reasonably estimated.

(b) Environmental restoration costs

The Government recognizes that there are costs related to the restoration of any contaminated sites situated on lands within the Territory. Liabilities have been accrued in the consolidated financial statements when it has been determined that the Government is liable for a contaminated site and where a reasonable estimate of the remediation costs can be made. The Government's ongoing efforts to assess contaminated sites may result in additional environmental liabilities related to newly identified sites, or changes in the assessments or intended use of existing sites. Any additional liabilities will be accrued in the year in which they become known.

In 2009, \$4.3 million was accrued for the estimated remediation costs of the Old Town Clyde River site.

The Government will continue to implement a program of site inspection, assessment and remediation on an ongoing basis. To facilitate this, the Government has established a committee to ensure all existing and potential liabilities are identified and appropriate actions initiated. This is an ongoing process which should show continuous improvement each year as the Government continues to work in a practical manner towards the determination and appropriate recognition of its environmental liabilities within the Territory.

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16 CONTINGENCIES (continued)

(c) Litigation

More individuals have come forward alleging abuse by a former school teacher in the Territory when it was part of the Northwest Territories. Pursuant to agreements negotiated prior to the division of the territories, the Nunavut and Northwest Territories governments will jointly defend the action. The costs of defending the action and any damages that may eventually be awarded will be shared by the two governments 44.34% and 55.66%, respectively. An estimate of the Government's share of the loss that may result from these suits has been accrued; however, the final outcome may vary significantly from this estimate.

A number of new cases of alleged sexual abuse by former employees or contractors in Nunavut when it was part of the Northwest Territories have been filed, or are pending, in addition to the case disclosed above. The Nunavut and Northwest Territories governments will jointly defend any such proceedings and the cost of defending the actions and any damages that may eventually be awarded will be shared by the two governments 44.34% and 55.66%, respectively. An estimate of any liability that may result from these actions is not determinable at this time; consequently no liability has been accrued.

There are a number of claims and threatened litigation cases outstanding against the Government for which the outcomes are not determinable, including a number of cases where an amount is not specified. The nature of these claims include wrongful dismissal, breach of policy, personal injury, sexual abuse, medical negligence, wrongful arrest and assault. As of March 31, 2009, all of these claims have been assessed as being either without merit or not determinable at this time.

(d) Other

Under the terms of the Social Housing Agreement with Canadian Mortgage and Housing Corporation (CMHC), Nunavut Housing Corporation (NHC) is responsible for the administration of a number of loans to third parties, where CMHC is the lender or insurer of these loans. The agreement provides that NHC shall indemnify and reimburse CMHC for, and save it harmless from, all losses, costs and expenses related to these loans. The value of these third party loans is approximately \$3,265 as at March 31, 2009 (2008 - \$3,458).

17 PROJECTS FUNDED UNDER THIRD-PARTY AGREEMENTS

Under agreements with the Government of Canada and others, the government receives full or partial funding for eligible expenses incurred on various specific projects. The following is a summary of the various project-related revenues and expenses funded during the year.

		2009	2008
			(Restated - Note 3)
Revenues			
	From the Government of Canada	\$ 67,924	\$ 49,510
	From others	4,999	13,378
	Total revenues	\$ 72,923	\$ 62,888
Expenses			
	Compensation and benefits	\$ 14,760	\$ 13,398
	Grants and contributions	17,320	17,656
	Other expenses	39,520	30,597
	Amortization of tangible capital assets	1,323	1,237
	Total expenses	\$ 72,923	\$ 62,888

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18 RELATED PARTY TRANSACTIONS

Significant related party transactions and balances are disclosed separately in these consolidated financial statements.

19 TRUSTS UNDER ADMINISTRATION

The Government administers trust accounts on behalf of third parties, which are not included in the reported Government assets and liabilities.

	2009	2008
Public Trustee	\$ 3,984	\$ 4,016
Victims' Assistance Trust	308	323
Natural Resources Conservation Trust	276	269
Millennium Scholarship Fund	61	71
Scholarship Fund	41	40
Territorial Court Trust	142	162
Maintenance Enforcement Trust	54	68
Young Offenders Welfare Trust	12	1
Baffin Correctional Centre Welfare Trust	25	26
Baffin Correctional Centre Inmate Trust	23	13
Young Offenders Trust	6	7
Sheriff's Imprest Account	9	8
Nunavut Labour Standards Board Trust	-	7
HSS - Akausisarvik	11	9
HSS - Ikpigusukniqmut Foundation	95	64
	\$ 5,047	\$ 5,084

20 COMPARATIVE INFORMATION

Certain comparative figures have been reclassified to conform to the current year's presentation.

GOVERNMENT OF NUNAVUT**SCHEDULE A****PUBLIC ACCOUNTS****Consolidated Schedule of Revenues by Source****for the year ended March 31, 2009****(thousands of dollars)**

	2009	2008 (Restated - Note 3)
From the Government of Canada		
Territorial Formula Financing Agreement	\$ 944,050	\$ 892,852
Transfers under third-party funding or cost-sharing agreements	67,924	49,510
Other transfer payments	134,991	138,333
	1,146,965	1,080,695
Revenues generated by the Government of Nunavut		
Personal income tax	20,825	12,467
Corporate income tax	9,466	6,561
Fuel tax	4,367	5,615
Tobacco tax	11,956	11,662
Insurance tax	713	660
Property tax	1,502	1,551
Payroll tax	17,087	14,667
Sales		
Petroleum Products Revolving Fund - before cost of goods sold of \$114,895 (2008 - \$93,706)	138,245	111,592
Liquor Revolving Fund - before cost of goods sold of \$2,272 (2008 - \$2,115)	5,117	4,801
Nunavut Development Corporation - before cost of goods sold of \$6,426 (2008 - \$6,163)	6,737	7,052
Staff housing recoveries	15,634	15,206
Transfers under other specific funding or cost-sharing agreements	4,999	13,378
Recoveries of prior years expenditures	9,497	5,246
Other revenues	96,554	91,429
	342,699	301,887
Total revenues	\$ 1,489,664	\$ 1,382,582

GOVERNMENT OF NUNAVUT

SCHEDULE B

PUBLIC ACCOUNTS

Consolidated Schedule of Tangible Capital Assets

for the year ended March 31, 2009

(thousands of dollars)

	Buildings	Leased Buildings	Storage	Tank Farms	Equip- ment	Heavy Equip- ment	Electric Power Plants	Transmission Distribution Systems	Infra- structure	Land	2009	2008 (Restated - Note 3)
Cost of tangible capital assets												
Opening balance	\$ 1,120,436	\$162,241	\$23,056	\$113,111	\$54,096	\$ 1,361	\$ 144,570	\$ 25,338	\$ 101,680	\$ 449	\$ 1,746,338	\$1,605,742
Additions	2,433	-	-	-	292	-	3,040	1,577	5,969	-	13,311	18,851
Transfer from work in progress	65,127	-	-	-	806	-	-	-	3,012	-	68,945	122,515
Disposals	(2,760)	-	-	-	-	(2)	(1)	(1,564)	-	-	(4,327)	(770)
Closing balance	1,185,236	162,241	23,056	113,111	55,194	1,359	147,609	25,351	110,661	449	1,824,267	1,746,338
Accumulated amortization												
Opening balance	(376,816)	(41,208)	(9,909)	(31,950)	(38,788)	(643)	(51,152)	(12,225)	(30,732)	-	(593,423)	(530,109)
Amortization	(44,951)	(5,408)	(833)	(4,202)	(6,289)	(79)	(5,193)	(744)	(4,208)	-	(71,907)	(63,580)
Disposals	1,651	-	-	-	-	8	1	573	-	-	2,233	266
Closing balance	(420,116)	(46,616)	(10,742)	(36,152)	(45,077)	(714)	(56,344)	(12,396)	(34,940)	-	(663,097)	(593,423)
Work in progress												
Opening balance	130,302	-	-	20,785	2,444	-	12,690	-	23,143	-	189,364	161,349
Additions	134,180	-	-	-	2,809	-	11,395	-	11,961	-	160,345	150,530
Transfer to tangible capital assets	(65,127)	-	-	-	(806)	-	-	-	(3,012)	-	(68,945)	(122,515)
Closing balance	199,355	-	-	20,785	4,447	-	24,085	-	32,092	-	280,764	189,364
Net book value	\$ 964,475	\$115,625	\$12,314	\$ 97,744	\$14,564	\$ 645	\$ 115,350	\$ 12,955	\$ 107,813	\$ 449	\$ 1,441,934	\$1,342,279
Estimated useful life	30 years	30 years	30 years	30 years	5 years	5-40 years	20-40 years	20-40 years	30 years			

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

SCHEDULE C

Consolidated Schedule of Segmented Information

for the year ended March 31, 2009

(thousands of dollars)

	Consolidated Revenue Fund	Revolving Funds	Territorial Corporations	Total for All Segments	Consolidation Adjustments (1)	2009	2008 (Restated - Note 3)
Revenues							
From the Government of Canada							
Territorial formula financing agreement	\$ 944,050	\$ -	\$ -	\$ 944,050	\$ -	\$ 944,050	\$ 892,852
Transfers under third-party funding or cost-sharing agreements	66,688	-	1,236	67,924	-	67,924	49,510
Other transfer payments	103,907	-	30,798	134,705	286	134,991	138,333
	1,114,645	-	32,034	1,146,679	286	1,146,965	1,080,695
Generated by the Government of Nunavut							
Corporate and personal income taxes	30,291	-	-	30,291	-	30,291	19,028
Other taxes	35,625	-	-	35,625	-	35,625	34,155
Sales	-	200,229	50,930	251,159	(101,060)	150,099	123,445
Transfers under other specific funding or cost-sharing agreements	4,999	-	-	4,999	-	4,999	13,378
General	36,336	-	241,867	278,203	(166,015)	112,188	106,635
	107,251	200,229	292,797	600,277	(267,075)	333,202	296,641
Recoveries of prior years expenditures	11,797	-	-	11,797	(2,300)	9,497	5,246
Total revenues	1,233,693	200,229	324,831	1,758,753	(269,089)	1,489,664	1,382,582
Expenses							
Compensation and employee benefits	333,201	4,043	56,746	393,990	(111)	393,879	364,582
Grants and contributions	318,357	-	19,746	338,103	(170,041)	168,062	161,272
Goods and services	554,489	192,566	203,288	950,343	(162,059)	788,284	687,837
Amortization of tangible capital assets	35,865	990	35,052	71,907	-	71,907	63,580
Interest expense	6,720	4	7,429	14,153	(747)	13,406	17,339
Increase in valuation allowances	4,259	2,103	5,375	11,737	(5,471)	6,266	4,453
Total expenses	1,252,891	199,706	327,636	1,780,233	(338,429)	1,441,804	1,299,063
Surplus for the year	\$ (19,198)	\$ 523	\$ (2,805)	\$ (21,480)	\$ 69,340	\$ 47,860	\$ 83,519

(1) - Includes adjustments to eliminate inter-entity balances to comply with generally accepted accounting principles. For example, contributions by departments to revolving funds, territorial corporations and other agencies (i.e., consolidated entities) are shown in Grants and contributions expense under the "Consolidated Revenue Fund" column, while the amounts received by the applicable consolidated entity group are shown as revenues in their respective columns. These amounts are eliminated upon consolidation to avoid double-counting and results in significant amounts shown in the 'Consolidation Adjustments' column.

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SECTION II
NON-CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Non-Consolidated Statement of Financial Position (unaudited)

as at March 31, 2009

(thousands of dollars)

	2009	2008 (Restated - Note 3)
Financial assets		
Cash and cash equivalents (Note 4)	\$ 246,056	\$ 248,748
Due from the Government of Canada (Note 5)	68,637	55,906
Revenues receivable (Note 6)	67,335	84,052
Inventories for resale (Note 7(a))	90,981	48,571
Loans receivable (Note 8)	21,013	20,844
Designated investments (Note 9)	5,907	5,660
Total financial assets	499,929	463,781
Liabilities		
Accounts payable and accrued liabilities (Note 10)	290,397	230,283
Employee future benefits (Note 11)	17,614	19,474
Capital lease obligations (Note 12)	86,280	91,201
Mortgage payable (Note 13)	4,433	4,676
Pension liabilities (Note 14)	4,867	5,479
Deferred revenue and capital contributions (Note 15)	79,638	37,601
Total liabilities	483,229	388,714
Net financial assets (debt)	16,700	75,067
Non-financial assets		
Tangible capital assets (Schedule C)	868,398	830,005
Inventories for use (Note 7(b))	1,967	1,277
Prepaid expenses	2,162	1,553
Total non-financial assets	872,527	832,835
Accumulated surplus	\$ 889,227	\$ 907,902
Contractual obligations (Note 17)		
Contingencies (Note 18)		

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

GOVERNMENT OF NUNAVUT**PUBLIC ACCOUNTS****Non-Consolidated Statement of Operations and Accumulated Surplus (unaudited)**

for the year ended March 31, 2009

(thousands of dollars)

	2009 Budget (Note 22)	2009 Actual	2008 Actual (Restated - Note 3)
Revenues (Schedule A)			
From the Government of Canada	\$ 1,159,366	\$ 1,114,645	\$ 1,042,389
Tax revenues generated by the Government of Nunavut	46,610	65,916	53,183
Other revenues generated by the Government of Nunavut	50,255	67,530	75,887
Recoveries of prior years expenditures	-	11,797	5,246
Total revenues	1,256,231	1,259,888	1,176,705
Expenses (Schedule B)			
Operations and maintenance before amortization	1,074,944	1,128,335	1,020,429
Amortization of tangible capital assets	36,206	36,855	35,994
Total operations and maintenance	1,111,150	1,165,190	1,056,423
Total capital expenditures in the year	98,330	188,621	181,711
Capital expenditures transferred to tangible capital assets	(75,111)	(75,248)	(82,913)
Capital expenditures expensed in the year	23,219	113,373	98,798
Total expenses	1,134,369	1,278,563	1,155,221
Surplus (deficit) for the year	121,862	(18,675)	21,484
Accumulated surplus, beginning of the year		907,902	886,418
Accumulated surplus, end of the year		\$ 889,227	\$ 907,902

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Non-Consolidated Statement of Change in Net Financial Assets (Debt) (unaudited)

for the year ended March 31, 2009

(thousands of dollars)

	2009 Budget	2009 Actual	2008 Actual (Restated - Note 3)
Surplus (deficit) for the year	\$ 121,862	\$ (18,675)	\$ 21,484
Tangible capital assets (Schedule C)			
Additions	(61,980)	(75,248)	(82,913)
Amortization	36,206	36,855	35,994
	(25,774)	(38,393)	(46,919)
Net use (additions) of inventories for use	-	(690)	(400)
Net use (additions) of prepaid expenses	-	(609)	606
	-	(1,299)	206
Change in net financial assets (debt) for the year	96,088	(58,367)	(25,229)
Net financial assets (debt), beginning of the year		75,067	100,296
Net financial assets (debt), end of the year		\$ 16,700	\$ 75,067

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Non-Consolidated Statement of Cash Flow (unaudited)

for the year ended March 31, 2009

(thousands of dollars)

	2009	2008 (Restated - Note 3)
Cash provided by (used for) government operations:		
Transfers from the Government of Canada	\$ 1,137,119	\$ 1,025,351
Taxes	70,466	54,427
Other government revenues	247,308	201,122
Interest on capital leases and mortgage	(6,409)	(7,553)
Compensation and employee benefits	(338,177)	(310,545)
Grants and contributions	(312,350)	(403,793)
Goods and services	(720,048)	(535,168)
Cash provided by (used for) government operations	77,909	23,841
Cash provided by (used for) capital activities:		
Tangible capital assets acquisitions	(75,248)	(82,913)
Cash provided by (used for) capital activities	(75,248)	(82,913)
Cash provided by (used for) investing activities:		
Loans to municipalities, businesses and individuals	(444)	143
Loan repayments received	503	22
Designated investments	(247)	(858)
Cash provided by (used for) investing activities	(188)	(693)
Cash provided by (used for) financing activities:		
Principal payments on capital leases	(4,922)	(3,418)
Principal payments on mortgage payable	(243)	(228)
Cash provided by (used for) financing activities	(5,165)	(3,646)
Increase (decrease) in cash and cash equivalents	(2,692)	(63,411)
Cash and cash equivalents, beginning of the year	248,748	312,159
Cash and cash equivalents, end of the year (Note 4)	\$ 246,056	\$ 248,748

The accompanying notes and schedules are an integral part of these non-consolidated financial statements.

GOVERNMENT OF NUNAVUT**PUBLIC ACCOUNTS**

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2009

(thousands of dollars)

1 AUTHORITY AND OPERATIONS**(a) Government of Nunavut**

The Government of Nunavut (the Government) operates under the authority of the *Nunavut Act*. The Government has an elected legislative assembly which authorizes all disbursements, advances, loans and investments, except those specifically authorized by statute.

(b) Main Estimates

The Main Estimates are those tabled before the Legislative Assembly during the March 2008 session and represent the Government's original fiscal plan for the year. The tabled Main Estimates have been modified to reflect the actual expenditures of the revolving funds that have non lapsing appropriations. The Revised Estimates are these original Main Estimates adjusted to reflect Supplementary Appropriations and/or Transfers. Expenditures through Vote 4 represent the share of eligible costs funded under agreement with the Government of Canada or others, and are not part of the annual Appropriations Act approved by the Legislative Assembly.

2 SIGNIFICANT ACCOUNTING POLICIES**(a) Financial statements**

These non-consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles (GAAP) for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants with the exception that they are not consolidated and certain revenues are reported net of expenses.

Pursuant to Section 74 of the *Financial Administration Act*, the Government also prepares consolidated financial statements, which provide an accounting of the full nature and extent of the financial affairs and resources for which the Government is responsible. The consolidated reporting entity is defined in those statements.

(b) Reporting entity

These financial statements include the assets, liabilities and operating results of the Government's Consolidated Revenue Fund, including those departments and public agencies set out in the Main Estimates, as well as the following revolving funds.

Fur Marketing Service Revolving Fund
Liquor Revolving Fund
Nunavut Outfitters Liability Protection Revolving Fund
Petroleum Products Revolving Fund
Public Stores Revolving Fund
Student Loan Revolving Fund

Revolving funds are established by the Government to provide the required working capital to deliver goods and services to the general public and to Government departments.

The following related Government agencies are included in these statements only to the extent of the Government's contributions to them during the year.

Nunavut Arctic College
Nunavut Business Credit Corporation
Nunavut Development Corporation
Nunavut Housing Corporation
Quilliq Energy Corporation
District Education Authorities

GOVERNMENT OF NUNAVUT**PUBLIC ACCOUNTS**

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2009

(thousands of dollars)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(c) Use of estimates and measurement uncertainty**

The preparation of financial statements in accordance with GAAP requires the Government to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. By their nature, these estimates and assumptions are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these financial statements, the Government believes the estimates and assumptions to be reasonable. The more significant areas where estimates and assumptions have been used to prepare these financial statements include:

(i) Income tax revenue (collected by the Government of Canada on the Government's behalf) and grant revenues from the Government of Canada in areas such as the Canada Health Transfer and Canada Social Transfer. These revenues and grants are subject to revision by the Government of Canada in future years; and

(ii) Allowance for doubtful accounts, loan valuation allowances, provision for losses on loan guarantees, amortization of tangible capital assets and employee future benefits.

(d) Cash and cash equivalents

Cash and cash equivalents are comprised of bank account balances net of outstanding cheques and short term highly liquid investments that are readily convertible to cash. Short term investments are recorded at the lower of cost or market value.

Interest income is recognized on an accrual basis, dividend income is recognized when declared, and capital gains and losses are recognized as incurred. Unrealized losses in designated cash and in long term investments are recognized when it is determined that there is a permanent impairment in the value of the investments and are included as a component of investment income.

(e) Inventories

Inventories for resale include bulk fuel and liquor products. Bulk fuel inventory is valued at the lower of weighted average cost or net realizable value. Liquor products inventory is valued at the lower of cost or net realizable value on a first-in, first-out basis. Inventory for use includes health and medical supplies valued at the lower of cost or replacement cost, with the cost being determined on a first-in, first-out basis.

(f) Loans receivable

Loans receivable are valued at the lower of cost or net recoverable value. Based on the circumstances known at the date the financial statements are prepared, including past events and current conditions, valuation allowances are recorded when collection is considered doubtful or when the value of a loan receivable is impaired. Interest revenue is recorded on an accrual basis when the collectability of both principal and interest are reasonably assured. An uncollectible or impaired loan receivable balance can be written off only upon receipt of required statutory approvals.

(g) Non-financial assets

Non-financial assets, including tangible capital assets, inventories for use and prepaid expenses, are accounted for by the Government only if they are expected to be used to provide government services in future years. These assets would not normally be used to provide financial resources to discharge liabilities of the Government unless they were sold. Non-financial assets are amortized or charged to expenses in future periods as they are used to provide or support the provision of government services.

(h) Tangible capital and leased assets

Tangible capital assets are non-financial assets whose useful life exceeds one fiscal year and are intended to be used on an ongoing basis for delivering government services. They may include such diverse items as buildings, vehicles, equipment, aircraft and computer hardware and software systems. Tangible capital assets with a cost of less than fifty thousand dollars are fully expensed in the year of acquisition.

GOVERNMENT OF NUNAVUT**PUBLIC ACCOUNTS****Notes to Non-Consolidated Financial Statements (unaudited)**

March 31, 2009**(thousands of dollars)**

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible capital assets are recorded at cost, or where actual cost is not available, estimated current replacement cost converted back to the date of purchase by discounting current year dollars for inflation. Gifted and cost-shared tangible capital assets are recorded at fair market value upon receipt or cost, respectively, with the gifted or cost-shared portion recorded as a deferred capital contribution. This deferred capital contribution is amortized as revenue on the same basis as the related asset is amortized.

Leased assets that meet the definition of a tangible capital asset, except that they are held under lease by the Government, are capitalized and reported as such if, in substance, their terms and conditions transfer substantially all of the benefits and risks of ownership to the Government. Legal ownership may not necessarily have been transferred. The lease liability and corresponding asset are recorded based on the present value of payments due over the course of the lease. The present value is based on a specified rate or the Government's borrowing rate at the time the obligation is incurred.

Tangible capital assets, when placed into service, are amortized on a straight-line basis over their estimated useful life based on the following guidelines.

Asset Category	Amortization Period
Land	Not amortized
Buildings	30 years
Leased Buildings	30 years
Infrastructure	30 years
Tank Farms	30 years
Storage Facilities	30 years
Equipment	5 years

Tangible capital assets under construction or development are recorded as work in progress with no amortization taken until the year the asset is placed into service.

Tangible capital assets acquired by right, such as Crown lands, water and mineral resources, are not recorded in the financial statements. The cost of works of art and museum collections consisting mainly of paintings, sculptures, drawings, prints and photographs are charged to expense in the year they are acquired.

(i) Pension and other employee future benefitsPension benefits

All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The Government contributes at a rate of 2.14 times (2008 - 2.14 times) the employee's contribution. The Government's contributions are charged as an expense on a current year basis and represent the total pension obligations. The Government is not required under present legislation to make contributions with respect to actuarial deficiencies of the Plan.

The costs and obligations for the Government's pension benefits to Members of the Legislative Assembly are determined on an actuarial basis. This is done to determine the current value of future entitlements and uses various estimates. When actual experience varies from estimates, the adjustments needed are amortized over the estimated average remaining service lives of the contributors.

Non-pension employee future benefits

Under the terms and conditions of employment, Government employees may earn severance and removal benefits based on years of service. These benefits are paid upon resignation, retirement or death of the employee. The estimated liability and related expenses for these benefits are recorded as employees earn them. Termination benefits are recorded when employees are identified for lay-off. For 2009, an actuarial valuation of the cost of these benefits has been prepared using data provided by management and assumptions based on management's best estimates. The 2008 cost of the benefits had been determined based on an actuarial valuation.

GOVERNMENT OF NUNAVUT**PUBLIC ACCOUNTS****Notes to Non-Consolidated Financial Statements (unaudited)****March 31, 2009****(thousands of dollars)**

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(j) Revenues**

Unless otherwise stated, all revenues are reported on an accrual basis in the period in which transactions or events give rise to the revenues. Specific revenue accounting policies are as follows:

Transfers from the Government of Canada

Grants from the Government of Canada are recognized as revenue when entitlement for the transfer occurs. The Government receives a Formula Financing grant from the Government of Canada. For the years 2007-08 to 2013-14, the Government of Canada has, under Bill C-52, the *Budget Implementation Act, 2007*, restored the Formula Financing grant to a principle-based arrangement. Health and social transfers are recorded in accordance with the *Federal-Provincial Fiscal Arrangements Act* (Canada). Adjustments for health and social transfer revenues are made in the year they are known.

Other transfers from the Government of Canada are recognized as revenue in the period that the events giving rise to the transfer occur as long as: (i) the transfer is authorized; (ii) the Government has met eligibility criteria, if any; and (iii) a reasonable estimate of the amount of the transfer can be made. Transfers received before these are fully met are recorded as deferred revenue until the criteria are met.

Taxes and general revenues

Income tax revenue is recognized on an accrual basis. Taxes, under the *Income Tax Act*, are collected by the Government of Canada on behalf of the Government under a tax collection agreement and are remitted to the Government monthly. The remittances are based on the Government of Canada's Department of Finance estimates for the taxation year, which are periodically adjusted until the income tax assessments for that year are finalized.

Fuel, tobacco and payroll taxes are levied under the authority of the *Petroleum Products Tax Act*, the *Tobacco Tax Act* and the *Payroll Tax Act*, respectively. Revenues are recognized on an accrual basis based on the statements received from collectors or employers. Adjustments from reassessments are recorded in revenue in the year they are identified.

Property taxes are assessed on a calendar year basis and are recorded on an accrual basis in the fiscal year.

Other taxes are accrued based on information provided by those parties which collect tax on the Government's behalf.

(k) Expenses

Expenses are recorded on an accrual basis.

Grants and contributions are recorded as expenses when the following criteria are all met: (i) the grant or contribution has the necessary authorization; (ii) the recipient has met eligibility criteria, if any; and (iii) a reasonable estimate of the transfer can be made.

Grants or contributions paid prior to all three conditions being met are accounted for as prepaid expenses until all conditions are met.

(l) Recoveries of prior years expenditures

Recoveries of prior years expenditures and reversals of prior years expenditure accruals are reported separately from other revenues on the statement of operations. Pursuant to the *Financial Administration Act*, these recoveries cannot be used to increase the amount appropriated for current year expenditures.

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2009

(thousands of dollars)

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Contractual obligations and contingencies

The nature of the Government's activities requires negotiation of contracts that are significant in relation to its current financial position or that will materially affect the level of future expenses. Contractual commitments pertain to block funding agreements with municipalities, operating commercial leases, capital projects, and operational funding commitments. Commitments are not accrued.

The contingencies of the Government are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is likely to occur or fail to occur and is quantifiable, an estimated liability is accrued. If the likelihood is not determinable or the amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements and no liability is accrued. Contingent liabilities result from potential environmental contingencies or pending litigation and like items.

(n) Environmental liabilities

Environmental liabilities consist of the estimated costs related to the remediation of environmentally contaminated sites. An environmental liability is accrued and an expense recorded based on management's best estimates at the time the contamination occurs or when the Government becomes aware of the contamination and is obligated or is likely obligated to incur such costs. If the likelihood of the Government's obligation to incur these costs is not determinable or if an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements and no liability is accrued. Accrued environmental liabilities are reported as part of accounts payable and accrued liabilities.

(o) Financial instruments

The fair market values of the Government's short term financial instruments, including accounts payable and accrued liabilities, cash and cash equivalents, portfolio and other investments, due from the Government of Canada and other revenues receivable approximate their carrying amounts because of their short term to maturity.

The fair value of the Government's long term financial instruments, including debt, capital lease obligations, portfolio and other investments, investments and loans receivable are detailed in the related notes. Where fair value amounts are not detailed, the carrying amounts approximate their fair value.

(p) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars using the exchange rates at year end. Foreign currency revenues and expenses are translated into Canadian dollars using rates in effect at the time the transactions were entered into. Exchange gains and losses are accounted for in the revenue or expense balances to which they relate.

3 ACCOUNTING CHANGES - RESTATEMENT OF 2008 BALANCES

The March 31, 2009 non-consolidated financial statements have been prepared taking into account the following accounting changes for corrections to and restatement of previously reported balances. Where appropriate, the 2008 comparative balances have been restated to reflect these accounting changes.

A review of the government's accounting for tangible capital assets was initiated during 2008-09. In prior years, the costs of infrastructure and other assets government developed or purchased for communities have been accounted for as tangible capital assets in the non-consolidated financial statements. The ongoing use of and benefits from these assets, which support the delivery of programs and services in the communities, are controlled by the community-level governments. As a result, their costs should have more appropriately been accounted for as grants and contributions expenses in the non-consolidated financial statements.

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2009

(thousands of dollars)

3 ACCOUNTING CHANGES - RESTATEMENT OF 2008 BALANCES (continued)

This review also identified a number of errors in the detailed year end inventory continuity listings supporting the tangible capital asset balances in prior years. Significant items were left in work-in-progress (i.e., not subject to annual amortization) even though the assets had been put into use in prior years. In addition, items were capitalized that did not meet the government's tangible capital asset policy.

Based on the results of this review and supporting analysis, the balances previously reported in 2008 have been restated for the above. The following summarizes the changes to the 2008 comparative balances included in these non-consolidated financial statements.

Financial Statement Line Items	Previously Reported Balances	Increase (Decrease)	Restatement Balances
Deferred revenue and capital contributions	\$ 55,219	\$ (17,618)	\$ 37,601
Total liabilities	406,332	(17,618)	388,714
Net financial assets (debt)	57,449	17,618	75,067
Tangible capital assets	940,220	(110,215)	830,005
Total non-financial assets	943,050	(110,215)	832,835
Accumulated surplus, end of the year	\$ 1,000,499	\$ (92,597)	\$ 907,902
Other revenues generated by the Government of Nunavut	\$ 70,604	\$ 5,283	\$ 75,887
Total revenues	1,171,422	5,283	1,176,705
Operations and maintenance before amortization	1,015,006	5,423	1,020,429
Amortization of tangible capital assets	34,347	1,647	35,994
Total capital expenditures in the year	173,456	8,255	181,711
Capital expenditures transferred to tangible capital assets	(85,952)	3,039	(82,913)
Total expenses	1,136,857	18,364	1,155,221
Surplus for the year	34,565	(13,081)	21,484
Accumulated surplus, beginning of the year	965,934	(79,516)	886,418
Accumulated surplus, end of the year	\$ 1,000,499	\$ (92,597)	\$ 907,902

4 CASH AND CASH EQUIVALENTS

The balance of \$246,056 (2008 - \$248,748) is comprised of cash balances the Government has with the following chartered banks and short term investments.

	2009	2008
Royal Bank of Canada	\$ 206,868	\$ 75,275
Canadian Imperial Bank of Commerce	19,654	19,288
Treasury investments	19,534	154,185
	\$ 246,056	\$ 248,748

Treasury investments are in the short term money market. The market yield of this portfolio ranged from 0.79% to 3.35% in 2009 (2008 - 3.15% to 4.92%). All instruments held are in high quality debt obligations, rated R-1 Low or better by the Dominion Bond Rating Service, with an average term to maturity of 187 days (2008 - 82 days).

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Notes to Non-Consolidated Financial Statements (unaudited)

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(thousands of dollars)

5 DUE FROM THE GOVERNMENT OF CANADA

	2009	2008
Grant receivable:		
From the Government of Canada (Schedule A)	\$ 944,050	\$ 892,852
Less: Payments received	(944,050)	(892,852)
	-	-
Balance of grant receivable, beginning of the year	-	-
Balance of grant receivable, end of the year	-	-
Other receivables:		
Other receivables from the Government of Canada	68,637	55,906
	\$ 68,637	\$ 55,906

The amounts due from the Government of Canada are non-interest bearing. The carrying amounts approximate fair market value because of the short term to maturity.

6 REVENUES RECEIVABLE

	2009	2008
Receivable by funds		
General Fund	\$ 42,774	\$ 60,961
Petroleum Products Revolving Fund	39,429	34,707
Liquor Revolving Fund	74	59
Public Stores Revolving Fund	21	38
Fur Marketing Service Revolving Fund	1,359	836
	83,657	96,601
Less: Allowance for doubtful accounts	(16,322)	(12,549)
	\$ 67,335	\$ 84,052
Receivable by relation with the creditors		
Nunavut Arctic College	\$ 5,328	\$ 5,874
District Education Authorities	210	250
Nunavut Business Credit Corporation	136	115
Nunavut Development Corporation	36	47
Nunavut Housing Corporation	13,341	12,602
Qulliq Energy Corporation	12,510	14,257
Receivable from related parties	31,561	33,145
	52,096	63,456
Other accounts receivable	83,657	96,601
Less: Allowance for doubtful accounts	(16,322)	(12,549)
	\$ 67,335	\$ 84,052

7 INVENTORIES

	2009	2008
(a) For resale		
Bulk fuels	\$ 89,900	\$ 47,591
Liquor products	1,081	980
	\$ 90,981	\$ 48,571

The write-down for bulk fuels inventory for 2009 was \$2,103 (2008 - \$858).

	2009	2008
(b) For use		
Health and medical supplies	\$ 1,967	\$ 1,277

**GOVERNMENT OF NUNAVUT
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Notes to Non-Consolidated Financial Statements (unaudited)

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8 LOANS RECEIVABLE	2009	2008
Working Capital advances to the Nunavut Business Credit Corporation. The term is indeterminate with the option to repay any portion of the principal on any interest payment date. Interest is calculated at selected Government of Canada three year benchmark bond yields ranging between 1.23% and 3.32% (2008 - 2.69% and 4.67%) at the end of the month, compounded annually.	\$ 19,254	\$ 18,792
Student Loan Fund loans due in instalments to 2017, bearing interest between 2% and 12.5%, net of the doubtful accounts and valuation allowances of \$3,463 (2008 - \$3,344).	1,158	1,122
Loans to municipalities due in instalments to 2017, bearing interest between 0% and 8%, net of valuation allowance of \$100 (2008 - \$100).	484	849
Other, including Qikiqtaq Co-op Mall Mortgage, net of valuation allowance of \$240 (2008 - \$240).	117	81
	\$ 21,013	\$ 20,844

9 DESIGNATED INVESTMENTS	2009	2008
SRAF designated investments	\$ 5,907	\$ 5,660

The Supplementary Retiring Allowances Fund (SRAF) of the Legislative Assembly investments cannot be used to discharge other obligations incurred by the Government. The investments are managed by a third party. The Statement of Investment Policy establishes the eligible classes of securities, categories of issuers, limits and terms. The market value of SRAF investments at March 31, 2009 was \$5,115 (2008 - \$5,907) with a negative return of 16.08% (2008 - negative 2.49%).

10 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	2009	2008
Accounts payable to related parties		
Nunavut Arctic College	\$ 2,683	\$ 3,304
District Education Authorities	1,121	1,523
Nunavut Business Credit Corporation	45	144
Nunavut Development Corporation	318	195
Nunavut Housing Corporation	63,529	11,093
Qulliq Energy Corporation	11,251	5,337
	78,947	21,596
Other		
Accounts payable	87,405	77,371
Due to the Government of Canada	8,836	15,668
Due to the Government of the Northwest Territories	4,548	3,505
Accrued liabilities, payroll deductions, and contractor holdbacks	96,141	99,162
Vacation pay and lieu time	14,520	12,981
	211,450	208,687
	\$ 290,397	\$ 230,283

11 EMPLOYEE FUTURE BENEFITS	2009	2008
Severance	\$ 7,952	\$ 9,159
Removal	9,662	10,315
	\$ 17,614	\$ 19,474

GOVERNMENT OF NUNAVUT**PUBLIC ACCOUNTS**

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2009

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12 CAPITAL LEASE OBLIGATIONS

Capital lease obligations are based upon contractual minimum lease payments for the leases in effect as of March 31, 2009.

	2009	2008
Total minimum lease payments	\$ 125,340	\$ 136,359
Imputed interest	(39,060)	(45,158)
Present value of minimum lease payments	\$ 86,280	\$ 91,201
Future minimum lease payments consist of:		
2010	\$ 11,020	
2011	11,020	
2012	11,020	
2013	11,020	
2014	11,020	
2015 and beyond	70,240	
	\$ 125,340	

Lease payments are allocated between repayment of the liability and interest expense. The total minimum lease payments less the initial liability represents the total interest cost of the lease. The interest expense is calculated using the same discount rate used in computing the present value of the minimum lease payments applied to the outstanding lease liability at the beginning of the lease payment period.

Interest expense related to capital lease obligations for the year was \$6,098 (2008 - \$6,424) at an implied average interest rate of 7.0% (2008 - 7.0%). The capital lease obligations expire between 2020 and 2027.

13 MORTGAGE PAYABLE

	2009	2008
Mortgage payable in annual instalments to the year 2020, bearing interest at a rate of 6.803% compounded semi-annually.	\$ 4,433	\$ 4,676
	Principal	Interest
2010	\$ 261	\$ 294
2011	279	275
2012	298	256
2013	319	235
2014	342	212
2015 and beyond	2,934	714
	\$ 4,433	\$ 1,986
		\$ 6,419

Interest expense on mortgage payable was \$311 for the year (2008 - \$327). The interest paid on the mortgage payable during the year was \$311 (2008 - \$327).

14 PENSION LIABILITIES**(a) Public Service Pension Plan (PSPP)**

Both the Government and its employees make contributions to the Public Service Pension Plan administered by the Government of Canada. In 2009, the Government's contributions were \$25,782 (2008 - \$23,857).

The amount of the Government's contributions is set by the Government of Canada and represents the Government's sole obligation under this Plan. The Government is not required under present legislation to make contributions with respect to actuarial deficiencies of the Plan.

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS****Notes to Non-Consolidated Financial Statements (unaudited)****March 31, 2009****(thousands of dollars)**

14 PENSION LIABILITIES (continued)**(b) Legislative Assembly Retiring Allowances Plans**

The Government of Nunavut sponsors two defined benefit pension plans for Members of the Legislative Assembly (MLAs). Both plans are administered by the Management and Services Board of the Legislative Assembly. The plans provide pensions based on length of service and final average earnings. They provide inflation protection based on increases in the Consumer Price Index.

The first plan is the Legislative Assembly Retiring Allowances Fund (LARAF), a registered and contributory defined benefit pension plan established under the *Legislative Assembly Retiring Allowances Act*. The Office of the Legislative Assembly operates a separate pension fund in trust to administer LARAF contributions and allowances. The fund came into effect on April 1, 1999.

The second plan is the Supplementary Retiring Allowances Fund (SRAF), a voluntary non-registered, non-contributory defined benefit pension plan established under the *Supplementary Retiring Allowances Act* for MLAs who elect to participate. Payments and expenses related to the SRAF are paid from the Government's consolidated revenue fund. This plan came into effect during the 2001-02 fiscal year, and provides for benefits retroactive to April 1, 1999.

There have been no plan amendments, plan settlements and curtailments or temporary deviations from these plans in 2009 (no changes in 2008).

Actuarial valuations were completed for these plans as of April 1, 2007. The valuations were based on a number of assumptions about future events including inflation rates (3.5%), interest rates (inflation, plus 3%), return on assets (inflation, plus 3%), increases in remuneration (inflation, plus 1%), and mortality. The assumptions used reflect the best estimates as approved by the Management and Services Board of the Legislative Assembly. The valuations were performed using the projected unit credit actuarial cost method. The asset valuation method, market-related value, for the LARAF plan is equal to a smoothed market value which spreads the difference between the actual and expected investment income over a four year period. The effective date of the next actuarial valuations for these plans is April 1, 2010.

Retirement benefits are payable to a MLA based on a percentage of the average best earnings over four consecutive years as a MLA and as a Minister, Speaker or Chairperson (if applicable) multiplied by credited service as a MLA and for each of the three positions (if applicable). A position must be held for at least one year, and the pension for each position is calculated separately. The percentages used to calculate retirement benefits are 2% for the LARAF and 3% for the SRAF.

The Normal Retirement Age under both of these plans is the earliest of (a) age 60, (b) 30 years of service, or (c) age plus service equals 80. A MLA may retire at any time upon ceasing to be a MLA. Early retirement results in a pension reduction of 0.25% for each month a MLA retires before the Normal Retirement Age. The late retirement age for MLAs is up to age 69.

The pension liabilities represent the excess of the actuarial present value of accrued pension benefits over the actuarial value of net assets available for benefits.

Based on information provided for the year by the plans' actuary, the MLA pension liabilities as of March 31 are as follows.

		LARAF		SRAF		2009		2008
Accrued benefit obligation	\$	3,592	\$	5,146	\$	8,738	\$	8,675
Deduct:								
Pension fund assets		2,817		-		2,817		3,946
Unamortized actuarial (gains) losses		1,538		(484)		1,054		(750)
		4,355		(484)		3,871		3,196
Pension (asset) liability	\$	(763)	\$	5,630	\$	4,867	\$	5,479

GOVERNMENT OF NUNAVUT**PUBLIC ACCOUNTS****Notes to Non-Consolidated Financial Statements (unaudited)****March 31, 2009****(thousands of dollars)****14 PENSION LIABILITIES (continued)**

At March 31, 2009, the LARAF pension fund assets had a market value of \$3,267 (2008 - \$3,797). The actual rate of return was negative 14.97% (2008 - negative 2.21%). The SRAF has no pension fund assets; however, the pension liability is funded all or in part by designated investments (Note 9).

LARAF and SRAF actuarial gains/losses are amortized over 2.6 and 2.1 years, respectively (2008 - 3.6 and 3.1 years, respectively), which are the estimated average remaining service lives for contributors to these plans.

The total expenses related to MLA pensions include the following components.

	LARAF	SRAF	2009	2008
Current period benefit cost	\$ 565	\$ 737	\$ 1,302	\$ 1,222
Amortization of actuarial (gains) losses	8	(226)	(218)	(81)
	573	511	1,084	1,141
MLAs contributions	(160)	-	(160)	(157)
Pension expense	413	511	924	984
Interest cost on the average accrued benefit obligation	256	333	589	570
Expected return on average pension plan assets	(288)	-	(288)	(233)
Pension interest expense	(32)	333	301	337
Total pension expenses	\$ 381	\$ 844	\$ 1,225	\$ 1,321

Pension benefits paid for the LARAF and SRAF were \$1,223 and \$605, respectively (2008 - \$42 and \$427, respectively).

The Government's contributions related to the LARAF and SRAF during the year were \$454 and \$776, respectively (2008 - \$403 and \$734, respectively).

15 DEFERRED REVENUE AND CAPITAL CONTRIBUTIONS

As at March 31, the Government had the following deferred revenue and capital contribution balances which are to be recognized as revenue in the year when eligible expenses are incurred:

	2009	2008
		(Restated - Note 3)
Building Canada Fund	\$ 33,810	\$ -
Gas Tax Agreement	12,722	9,978
Territorial Health Access Fund	6,329	10,347
Deferred capital contributions	19,170	13,923
Other deferred revenue	7,607	3,353
	\$ 79,638	\$ 37,601

16 PETROLEUM PRODUCTS STABILIZATION FUND

The Petroleum Products Stabilization Fund was created under the authority of the *Revolving Funds Act*. The purpose of the Fund is to stabilize the prices of petroleum products purchased, sold, and distributed by the Government. The net profit (loss) of the Petroleum Products Revolving Fund is charged to the Petroleum Products Stabilization Fund. The accumulated surplus or deficit balance in the fund cannot exceed \$10,000.

	2009	2008
Surplus (deficit), beginning of the year	\$ (1,088)	\$ (3,407)
Petroleum Products Revolving Fund net profit for the year	940	2,319
Surplus (deficit), end of the year	\$ (148)	\$ (1,088)

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2009

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17 CONTRACTUAL OBLIGATIONS

The Government has entered into agreements for, or is contractually committed to, the following payments payable subsequent to March 31, 2009.

	Year of Expiration	Total
Capital commitments	2014 \$	57,400
Operational commitments	2014	31,282
Policing agreement	2012	82,830
Operating leases (Schedule 6)	2027	58,710
	\$	230,222

Contractual obligations by fiscal year are as follows:

2010	\$	109,138
2011		52,977
2012		35,265
2013		7,091
2014		4,833
2015 and beyond		20,918
	\$	230,222

18 CONTINGENCIES

(a) Contingent liabilities	2009	2008
Uninsured losses	\$ 70	\$ 11

b) Post-division adjustments

The period for such adjustments is unlimited and such adjustments could be made in a variety of specified circumstances such as the settlement of litigation related to events prior to the date of division. In such an event, there is an opportunity for one of the governments to file a claim against the other government to share in costs. Post-division adjustments will be recognized in the year the liability can reasonably be estimated. To date, the Government of Nunavut has not yet received any significant claims from or filed any significant claims against the Government of the Northwest Territories.

(c) Environmental restoration costs

The Government recognizes that there are costs related to the restoration of any contaminated sites situated on lands within the Territory. Liabilities have been accrued in the non-consolidated financial statements when it has been determined that the Government is liable for a contaminated site and where a reasonable estimate of the remediation costs can be made. The Government's ongoing efforts to assess contaminated sites may result in additional environmental liabilities related to newly identified sites, or changes in the assessments or intended use of existing sites. Any additional liabilities will be accrued in the year in which they become known.

In 2009, \$4.3 million was accrued for the estimated remediation costs of the Old Town Clyde River site.

The Government will continue to implement a program of site inspection, assessment and remediation on an ongoing basis. To facilitate this, the Government has established a committee to ensure all existing and potential liabilities are identified and appropriate actions initiated. This is an ongoing process which should show continuous improvement each year as the Government continues to work in a practical manner towards the determination and appropriate recognition of its environmental liabilities within the Territory.

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS****Notes to Non-Consolidated Financial Statements (unaudited)**

March 31, 2009**(thousands of dollars)**

18 CONTINGENCIES (continued)**(d) Litigation**

More individuals have come forward alleging abuse by a former school teacher in the Territory when it was part of the Northwest Territories. Pursuant to agreements negotiated prior to the division of the territories, the Nunavut and Northwest Territories governments will jointly defend the action. The costs of defending the action and any damages that may eventually be awarded will be shared by the two governments 44.34% and 55.66%, respectively. An estimate of the Government's share of the loss that may result from these suits has been accrued; however, the final outcome may vary significantly from this estimate.

A number of cases of alleged sexual abuse by former employees or contractors in Nunavut when it was part of the Northwest Territories have been filed, or are pending, in addition to the case disclosed above. The Nunavut and the Northwest Territories governments will jointly defend any such proceedings and the cost of defending the actions and any damages that may eventually be awarded will be shared by the two governments 44.34% and 55.66%, respectively. An estimate of any liability that may result from these actions is not determinable at this time; consequently no liability has been accrued.

(e) Loan guarantees

As part of its financing, the Qulliq Energy Corporation (QEC) has arranged various credit facilities at different terms and interest rates. The Government has guaranteed the following QEC credit facilities.

	2009	2008
Bank credit facility, interest at prime	\$ 10,437	\$ 3,515
20 year redeemable amortizing debenture due 2021, interest rate of 6.809%	54,039	55,958
Floating rate capital loan facility drawn on April 30, 2007, interest at prime	5,600	6,300
Floating rate capital loan facility drawn on November 21, 2007, interest at prime	6,934	7,733
Total guarantees provided on balances outstanding	\$ 77,010	\$ 73,506

The bank credit facility limit is \$24,000. The floating rate capital loan facility limit is \$23,800.

Based on its operational needs, the Nunavut Development Corporation (NDC) may from time to time be in a bank overdraft position. The overdraft is guaranteed by the Government, and interest on the overdraft is charged based on a rate of 21% per annum. Interest is charged only when NDC's operating account is in an overdraft position and the pooled accounts of the Government are also in an overdraft position. As at March 31, 2009, NDC's bank overdraft position was \$nil (2008 - nil).

(f) Pending and threatened litigation

There are a number of claims and threatened litigation cases outstanding against the Government for which the outcomes are not determinable, including a number of cases where an amount is not specified. The nature of these claims include wrongful dismissal, breach of policy, personal injury, sexual abuse, negligence, medical negligence, wrongful arrest and assault. As of March 31, 2009, all of these claims have been assessed as being either without merit or not determinable at this time.

GOVERNMENT OF NUNAVUT**PUBLIC ACCOUNTS****Notes to Non-Consolidated Financial Statements (unaudited)**

March 31, 2009**(thousands of dollars)**

19 RELATED PARTIES

Transactions with related parties and balances at year-end, not disclosed elsewhere in the financial statements, are disclosed in this note. During the year, the Government made grants and contributions to or funded other costs for the following related parties.

	2009	2008
Nunavut Arctic College	\$ 21,545	\$ 18,220
District Education Authorities	10,652	10,512
Qulliq Energy Corporation	16,153	7,417
Nunavut Development Corporation	3,772	3,548
Nunavut Business Credit Corporation	450	450
	<u>\$ 52,572</u>	<u>\$ 40,147</u>

Under agreements with related boards and agencies, the Government provides services at cost or for a service fee where direct costs cannot be determined. The fees charged for indirect costs are not necessarily the cost of providing those services. Services provided included personnel, payroll, financial, procurement, accommodation, buildings and works, utilities, legal, and interpretation services. Direct costs of \$27,680 (2008 - \$24,891) were incurred and recovered from related parties.

20 TRUSTS UNDER ADMINISTRATION

The Government administers trust accounts on behalf of third parties, which are not included in the reported Government assets and liabilities.

	2009	2008
Public Trustee	\$ 3,984	\$ 4,016
Victims' Assistance Trust	308	323
Natural Resources Conservation Trust	276	269
Millennium Scholarship Fund	61	71
Scholarship Fund	41	40
Territorial Court Trust	142	162
Maintenance Enforcement Trust	54	68
Young Offenders Welfare Trust	12	1
Baffin Correctional Centre Welfare Trust	25	26
Baffin Correctional Centre Inmate Trust	23	13
Young Offenders Trust	6	7
Sherriff's Imprest Account	9	8
Nunavut Labour Standards Board Trust	-	7
HSS - Akausisavik	11	9
HSS - Ikpigusukniqmut Foundation	95	64
	<u>\$ 5,047</u>	<u>\$ 5,084</u>

GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS
Notes to Non-Consolidated Financial Statements (unaudited)
March 31, 2009
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21 PROJECTS FUNDED UNDER THIRD-PARTY AGREEMENTS

Under agreements with the Government of Canada and others, the government receives full or partial funding for eligible expenses incurred on various specific projects. The following is a summary of the various project related revenues and expenses funded during the year.

		2009	2008
			(Restated - Note 3)
Revenues			
	From the Government of Canada	\$ 66,688	\$ 48,499
	From others	4,999	13,378
	Total revenues	\$ 71,687	\$ 61,877
Expenses			
	Compensation and benefits	\$ 14,284	\$ 12,950
	Grants and contributions	17,320	17,656
	Other expenses	38,760	30,034
	Amortization of tangible capital assets	1,323	1,237
	Total expenses	\$ 71,687	\$ 61,877

22 BUDGET

The tabled Main Estimates for 2008-09 did not include appropriations for the Revolving Funds. To provide a comparison with actual expenses reported in these non-consolidated financial statements, the Main Estimates have been adjusted for the actual expenses of the Revolving Funds for 2008-09. In addition, the planned operating and project expenditures to be funded by the Government of Canada or others under specific funding and cost-sharing agreements (i.e., as per Appendix IV - Detail of Work Performed on Behalf of Third Parties - of the Main Estimates 2008-2009 publication and as per Appendix iV - NCIAC/CGS Capital Projects - of the Capital Estimates 2008-2009 publication) have been taken into account to arrive at the operations and maintenance budget total for comparative purposes against the actual expenses being reported in these non-consolidated financial statements.

	2009
Tabled Main Estimates - Operations and Maintenance	\$ 971,252
Add: Actual expenses of the Revolving Funds:	
Warehouse Revolving Fund	496
Liquor Revolving Fund	2,064
Petroleum Products Revolving Fund	22,616
	996,428
Add: Planned Vote 4 funding under specific agreements	78,516
	1,074,944
Add: Amortization of tangible capital assets	36,206
Total operations and maintenance budget	1,111,150
Tabled Main Estimates - Capital	98,330
Less: Planned transfers to tangible capital assets	
Vote 2	(75,111)
Vote 4	-
Total capital expenses budget	23,219
Total expenses budget	\$ 1,134,369

For revenues, the budgeted revenues as per the Main Estimates 2008-2009 publication of \$1,177,715 have been adjusted to include the funding to be received from the Government of Canada or others for expenses planned of \$78,516 on projects or initiatives under third-party funding and cost-sharing agreements. The result is a total revenue budget of \$1,256,231 for 2008-09.

23 COMPARATIVE INFORMATION

Certain comparative figures have been reclassified to conform to the current year's presentation.

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Schedule A

Non-Consolidated Schedule of Revenues by Source (unaudited)

for the year ended March 31, 2009

(thousands of dollars)

	2009 Budget (Note 22)	2009 Actual	2008 Actual (Restated - Note 3)
From the Government of Canada			
Territorial Formula Financing Agreement	\$ 944,050	\$ 944,050	\$ 892,852
Transfers under third-party funding or cost-sharing agreements	78,516	66,688	48,499
Other transfer payments	136,800	103,907	101,038
	1,159,366	1,114,645	1,042,389
Revenues generated by the Government of Nunavut			
Taxation revenues			
Personal income tax	8,320	20,825	12,467
Corporate income tax	6,010	9,466	6,561
Fuel tax	3,440	4,367	5,615
Tobacco tax	12,020	11,956	11,662
Insurance tax	950	713	660
Property tax	1,620	1,502	1,551
Payroll tax	14,250	17,087	14,667
	46,610	65,916	53,183
Other revenues			
Petroleum Products Division revenue - net of cost of goods sold of \$165,338 (2008 - \$135,545)	12,606	23,350	17,886
Liquor revenue - net of cost of goods sold of \$2,272 (2008 - \$2,115)	2,949	2,845	2,686
Staff housing recoveries	14,900	15,634	15,206
Transfers under third-party funding or cost-sharing agreements	-	4,999	13,378
Other	19,800	20,702	26,731
	50,255	67,530	75,887
Recoveries of prior years expenditures (Schedule 1)	-	11,797	5,246
Total revenues	\$ 1,256,231	\$ 1,259,888	\$ 1,176,705

**GOVERNMENT OF NUNAVUT
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Schedule B

**Non-Consolidated Schedule of Expenses (unaudited)
for the year ended March 31, 2009
(thousands of dollars)**

MAIN ESTIMATES	Budget (Note 22)	Supple- mentary Appro- priations	Transfers	Revised Budget	Actual Expenses	(Over) Under Budget
LEGISLATIVE ASSEMBLY						
Operations and maintenance						
Compensation and benefits	\$ 6,479	\$ 385	\$ -	\$ 6,864	\$ 5,829	\$ 1,035
Grants and contributions	-	-	-	-	-	-
Other expenses	7,680	36	-	7,716	7,177	539
Total operations and maintenance	14,159	421	-	14,580	13,006	1,574
Capital expenditures	1,160	-	-	1,160	454	706
Total expenses	\$ 15,319	\$ 421	\$ -	\$ 15,740	\$ 13,460	\$ 2,280
EXECUTIVE AND INTERGOVERNMENTAL AFFAIRS						
Operations and maintenance						
Compensation and benefits	\$ 7,946	\$ 614	\$ (453)	\$ 8,107	\$ 7,977	\$ 130
Grants and contributions	100	6,100	98	6,298	6,298	-
Other expenses	3,194	52	355	3,601	3,294	307
Total operations and maintenance	11,240	6,766	-	18,006	17,569	437
Capital expenditures	-	-	-	-	-	-
Total expenses	\$ 11,240	\$ 6,766	\$ -	\$ 18,006	\$ 17,569	\$ 437
FINANCE						
Operations and maintenance						
Compensation and benefits	\$ 24,444	\$ 1,532	\$ -	\$ 25,976	\$ 21,389	\$ 4,587
Grants and contributions	7,200	7,673	-	14,873	10,877	3,996
Other expenses	24,575	550	-	25,125	27,106	(1,981)
Total operations and maintenance	56,219	9,755	-	65,974	59,372	6,602
Capital expenditures	-	-	-	-	-	-
Total expenses	\$ 56,219	\$ 9,755	\$ -	\$ 65,974	\$ 59,372	\$ 6,602
HUMAN RESOURCES						
Operations and maintenance						
Compensation and benefits	\$ 13,610	\$ 820	\$ (632)	\$ 13,798	\$ 12,891	\$ 907
Grants and contributions	-	-	-	-	-	-
Other expenses	4,409	75	632	5,116	4,032	1,084
Total operations and maintenance	18,019	895	-	18,914	16,923	1,991
Capital expenditures	-	-	-	-	-	-
Total expenses	\$ 18,019	\$ 895	\$ -	\$ 18,914	\$ 16,923	\$ 1,991

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Schedule B

Non-Consolidated Schedule of Expenses (unaudited) - Continued

for the year ended March 31, 2009

(thousands of dollars)

MAIN ESTIMATES	Budget (Note 22)	Supple- mentary Appro- priations	Transfers	Revised Budget	Actual Expenses	(Over) Under Budget
JUSTICE						
Operations and maintenance						
Compensation and benefits	\$ 24,807	\$ 1,955	\$ (447)	\$ 26,315	\$ 24,471	\$ 1,844
Grants and contributions	3,601	487	(691)	3,397	3,238	159
Other expenses	38,341	5,179	1,138	44,658	42,530	2,128
Total operations and maintenance	66,749	7,621	-	74,370	70,239	4,131
Capital expenditures	2,900	4,536	-	7,436	3,766	3,670
Total expenses	\$ 69,649	\$ 12,157	\$ -	\$ 81,806	\$ 74,005	\$ 7,801
CULTURE, LANGUAGE, ELDER'S AND YOUTH						
Operations and maintenance						
Compensation and benefits	\$ 7,220	\$ 563	\$ (304)	\$ 7,479	\$ 7,300	\$ 179
Grants and contributions	7,143	-	509	7,652	6,790	862
Other expenses	3,744	43	(205)	3,582	3,046	536
Total operations and maintenance	18,107	606	-	18,713	17,136	1,577
Capital expenditures	910	10,073	-	10,983	1,481	9,502
Total expenses	\$ 19,017	\$ 10,679	\$ -	\$ 29,696	\$ 18,617	\$ 11,079
EDUCATION						
Operations and maintenance						
Compensation and benefits	\$ 108,497	\$ 6,584	\$ 193	\$ 115,274	\$ 114,658	\$ 616
Grants and contributions	42,558	427	17	43,002	42,940	62
Other expenses	46,017	(106)	(210)	45,701	44,012	1,689
Total operations and maintenance	197,072	6,905	-	203,977	201,610	2,367
Capital expenditures	25,585	46,071	-	71,656	38,252	33,404
Total expenses	\$ 222,657	\$ 52,976	\$ -	\$ 275,633	\$ 239,862	\$ 35,771
HEALTH AND SOCIAL SERVICES						
Operations and maintenance						
Compensation and benefits	\$ 88,478	\$ 5,853	\$ (11,379)	\$ 82,952	\$ 72,294	\$ 10,658
Grants and contributions	5,533	-	-	5,533	3,787	1,746
Other expenses	158,377	23,468	11,379	193,224	204,551	(11,327)
Total operations and maintenance	252,388	29,321	-	281,709	280,632	1,077
Capital expenditures	14,373	13,440	-	27,813	14,693	13,120
Total expenses	\$ 266,761	\$ 42,761	\$ -	\$ 309,522	\$ 295,325	\$ 14,197

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Schedule B

Non-Consolidated Schedule of Expenses (unaudited) - Continued

for the year ended March 31, 2009

(thousands of dollars)

MAIN ESTIMATES	Budget (Note 22)	Supple- mentary Appro- priations	Transfers	Revised Budget	Actual Expenses	(Over) Under Budget
NUNAVUT HOUSING CORPORATION						
Operations and maintenance						
Compensation and benefits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and contributions	112,817	6,205	-	119,022	119,022	-
Other expenses	-	-	-	-	-	-
Total operations and maintenance	112,817	6,205	-	119,022	119,022	-
Capital expenditures	19,125	62,159	-	81,284	81,284	-
Total expenses	\$ 131,942	\$ 68,364	\$ -	\$ 200,306	\$ 200,306	\$ -
ENVIRONMENT						
Operations and maintenance						
Compensation and benefits	\$ 10,729	\$ 1,985	\$ (1,500)	\$ 11,214	\$ 11,104	\$ 110
Grants and contributions	946	945	508	2,399	2,249	150
Other expenses	4,451	372	992	5,815	5,872	(57)
Total operations and maintenance	16,126	3,302	-	19,428	19,225	203
Capital expenditures	1,700	1,735	-	3,435	2,136	1,299
Total expenses	\$ 17,826	\$ 5,037	\$ -	\$ 22,863	\$ 21,361	\$ 1,502
COMMUNITY AND GOVERNMENT SERVICES						
Operations and maintenance						
Compensation and benefits	\$ 33,893	\$ 2,210	\$ (3,591)	\$ 32,512	\$ 32,885	\$ (373)
Grants and contributions	49,898	3,370	870	54,138	53,376	762
Other expenses	94,610	4,374	2,721	101,705	101,604	101
Total operations and maintenance	178,401	9,954	-	188,355	187,865	490
Capital expenditures	23,107	19,667	-	42,774	27,179	15,595
Total expenses	\$ 201,508	\$ 29,621	\$ -	\$ 231,129	\$ 215,044	\$ 16,085
ECONOMIC DEVELOPMENT AND TRANSPORTATION						
Operations and maintenance						
Compensation and benefits	\$ 14,789	\$ (27)	\$ (1,750)	\$ 13,012	\$ 12,162	\$ 850
Grants and contributions	21,914	1,442	1,500	24,856	22,521	2,335
Other expenses	18,428	190	250	18,868	20,689	(1,821)
Total operations and maintenance	55,131	1,605	-	56,736	55,372	1,364
Capital expenditures	9,470	16,446	-	25,916	12,958	12,958
Total expenses	\$ 64,601	\$ 18,051	\$ -	\$ 82,652	\$ 68,330	\$ 14,322

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Schedule B

Non-Consolidated Schedule of Expenses (unaudited) - Continued
for the year ended March 31, 2009
(thousands of dollars)

TOTALS	Budget (Note 22)	Supple- mentary Appro- priations	Transfers	Revised Budget	Actual Expenses	(Over) Under Budget
MAIN ESTIMATES						
Operations and maintenance						
Compensation and benefits	\$ 340,892	\$ 22,474	\$ (19,863)	\$ 343,503	\$ 322,960	\$ 20,543
Grants and contributions	251,710	26,649	2,811	281,170	271,098	10,072
Other expenses	403,826	34,233	17,052	455,111	463,913	(8,802)
	996,428	83,356	-	1,079,784	1,057,971	21,813
Amortization of tangible capital assets	36,206	-	-	36,206	35,532	674
Total operations and maintenance	1,032,634	83,356	-	1,115,990	1,093,503	22,487
Capital expenditures	98,330	174,127	-	272,457	182,203	90,254
Transfer to tangible capital assets	(75,111)	-	-	(75,111)	(68,830)	(6,281)
Total capital expenses	23,219	174,127	-	197,346	113,373	83,973
Total Main Estimate expenses	\$ 1,055,853	\$ 257,483	\$ -	\$ 1,313,336	\$ 1,206,876	\$ 106,460

EXPENSES FUNDED UNDER THIRD-PARTY AGREEMENTS (Schedule B.1)

Operations and maintenance						
Compensation and benefits	\$ -	\$ -	\$ -	\$ -	\$ 14,284	\$ -
Grants and contributions	-	-	-	-	17,320	-
Other expenses	-	-	-	-	38,760	-
	78,516	-	-	78,516	70,364	8,152
Amortization of tangible capital assets	-	-	-	-	1,323	(1,323)
Total operations and maintenance	78,516	-	-	78,516	71,687	6,829
Capital expenditures	-	-	-	-	6,418	6,418
Transfer to tangible capital assets	-	-	-	-	(6,418)	(6,418)
Total capital expenses	-	-	-	-	-	-
Total funded expenses	\$ 78,516	\$ -	\$ -	\$ 78,516	\$ 71,687	\$ 6,829

NON-CONSOLIDATED STATEMENTS

Operations and maintenance						
Compensation and benefits	\$ -	\$ -	\$ -	\$ -	\$ 337,244	\$ -
Grants and contributions	-	-	-	-	288,418	-
Other expenses	-	-	-	-	502,673	-
	1,074,944	83,356	-	1,158,300	1,128,335	29,965
Amortization of tangible capital assets	36,206	-	-	36,206	36,855	(649)
Total operations and maintenance	1,111,150	83,356	-	1,194,506	1,165,190	29,316
Capital expenditures	98,330	174,127	-	272,457	188,621	83,836
Transfer to tangible capital assets	(75,111)	-	-	(75,111)	(75,248)	137
Total capital expenses	23,219	174,127	-	197,346	113,373	83,973
Total expenses	\$ 1,134,369	\$ 257,483	\$ -	\$ 1,391,852	\$ 1,278,563	\$ 113,289

Other expenses above includes, among other items, interest expense of \$6,724 (2008 - \$7,088), increases in valuation allowances of \$6,362 (2008 - \$3,248), and income support payments of \$29,939 (2008 - \$30,130).

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Schedule B.1

Non-Consolidated Schedule of Expenses Funded under Third-Party Agreements (unaudited)

for the year ended March 31, 2009

(thousands of dollars)

By Department	Budget (Note 22)	Transfers	Revised Budget	Actual Expenses	(Over) Under Budget
Legislative Assembly	\$ -	\$ -	\$ -	\$ 56	\$ (56)
Executive and Intergovernmental Affairs	2,798	-	2,798	641	2,157
Finance	-	-	-	2,107	(2,107)
Human Resources	-	-	-	61	(61)
Justice	-	-	-	1,958	(1,958)
Culture, Language, Elders and Youth	2,885	-	2,885	1,853	1,032
Education	5,720	-	5,720	6,720	(1,000)
Health and Social Services	16,944	-	16,944	23,830	(6,886)
Nunavut Housing Corporation	-	-	-	-	-
Environment	-	-	-	1,857	(1,857)
Community and Government Services	44,237	-	44,237	20,269	23,968
Economic Development and Transportation	5,932	-	5,932	12,335	(6,403)
	\$ 78,516	\$ -	\$ 78,516	\$ 71,687	\$ 6,829

By Category	Budget (Note 22)	Transfers	Revised Budget	Actual Expenses	(Over) Under Budget
Operations and maintenance					
Compensation and benefits	\$ -	\$ -	\$ -	\$ 14,284	\$ -
Grants and contributions	-	-	-	17,320	-
Other expenses	-	-	-	38,760	-
	78,516	-	78,516	70,364	8,152
Amortization of tangible capital assets	-	-	-	1,323	(1,323)
Total operations and maintenance	78,516	-	78,516	71,687	6,829
Capital expenditures	-	-	-	6,418	(6,418)
Transfer to tangible capital assets	-	-	-	(6,418)	6,418
Total capital expenses	-	-	-	-	-
Total funded expenses	\$ 78,516	\$ -	\$ 78,516	\$ 71,687	\$ 6,829

GOVERNMENT OF NUNAVUT

Schedule C

PUBLIC ACCOUNTS

Non-Consolidated Schedule of Tangible Capital Assets (unaudited)

for the year ended March 31, 2009

(thousands of dollars)

	Buildings	Tank Farms	Infra- structure	Leased Buildings	Storage Facilities	Equipment	2009	2008 (Restated - Note 3)
Cost of tangible capital assets								
Opening balance	\$ 602,931	\$ 113,111	\$ 101,680	\$ 119,959	\$ 11,922	\$ 31,772	\$ 981,375	\$ 859,160
Additions	142	-	5,969	-	-	89	6,200	15,139
Transfers from work in progress	16,597	-	3,012	-	-	806	20,415	107,076
Closing balance	619,670	113,111	110,661	119,959	11,922	32,667	1,007,990	981,375
Accumulated amortization								
Opening balance	(126,633)	(31,950)	(30,732)	(30,774)	(3,935)	(24,649)	(248,673)	(212,679)
Amortization expense	(20,503)	(4,202)	(4,208)	(3,999)	(487)	(3,456)	(36,855)	(35,994)
Closing balance	(147,136)	(36,152)	(34,940)	(34,773)	(4,422)	(28,105)	(285,528)	(248,673)
Work in progress								
Opening balance	50,930	20,785	23,144	-	-	2,444	97,303	136,605
Additions	54,278	-	11,961	-	-	2,809	69,048	67,774
Transferred to tangible capital assets	(16,597)	-	(3,012)	-	-	(806)	(20,415)	(107,076)
Closing balance	88,611	20,785	32,093	-	-	4,447	145,936	97,303
Net book value	\$ 561,145	\$ 97,744	\$ 107,814	\$ 85,186	\$ 7,500	\$ 9,009	\$ 868,398	\$ 830,005
Estimated useful life	30 Years	30 Years	30 Years	30 Years	30 Years	5 Years		

GOVERNMENT OF NUNAVUT

Schedule 1

PUBLIC ACCOUNTS**Non-Consolidated Schedule of Recoveries of Prior Years Expenditures (unaudited)****for the year ended March 31, 2009****(thousands of dollars)**

Department	Over Accruals	Other Recoveries	Total
Legislative Assembly	\$ -	\$ 2	\$ 2
Executive and Intergovernmental Affairs	-	6	6
Finance	1,280	179	1,459
Human Resources	154	3	157
Justice	-	405	405
Culture, Language, Elders and Youth	570	-	570
Education	1,015	168	1,183
Health and Social Services	3,312	582	3,894
Environment	19	19	38
Community and Government Services	1,234	2,361	3,595
Economic Development and Transportation	488	-	488
	\$ 8,072	\$ 3,725	\$ 11,797

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS****Schedule 2****Non-Consolidated Schedule of Special Warrants (unaudited)****for the year ended March 31, 2009****(thousands of dollars)**

	Date of FMB Approval	Amount Authorized
OPERATIONS AND MAINTENANCE		
Community and Government Services		
To provide funding for the initial cost of providing emergency services to the community of Pangnirtung during the flooding of the Duval River.	July 10, 2008	\$ 500
Total operations and maintenance		\$ 500

CAPITAL

Environment		
Carryover the funds for the building of a new wildlife office in Cambridge Bay.	April 25, 2008	\$ 1,463
Community and Government Services		
To provide funding for the purchase and installation of a bridge to replace the two bridges damaged or destroyed by flooding in the community of Pangnirtung.	July 10, 2008	2,500
Total capital		\$ 3,963

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Schedule 3

**Non-Consolidated Schedule of Inter-Activity Transfers Over \$250,000 (unaudited)
for the year ended March 31, 2009
(thousands of dollars)**

OPERATIONS AND MAINTENANCE	Transfer to (from)	
Community and Government Services		
Directorate	\$ 250	Transfer funds
Community Support	(250)	
Directorate	430	Transfer funds
Government Services	600	
Government Services	(205)	
Community Support	(160)	
Capital Planning and Technical Services	(620)	
Safety and Protective Services	(45)	
Directorate	(30)	Budget adjustments
Community Support	850	
Government Services	(800)	
Safety and Protective Services	(20)	
Capital Planning and Technical Services	625	Budget adjustments
Community Support	(300)	
Capital Planning and Technical Services	(250)	
Government Services	(65)	
Directorate	(10)	
Health and Social Services		
Directorate	\$ (546)	Transfer funds
Social Services	546	
Treatment	(293)	Transfer funds
Social Services	293	
Directorate	(550)	Transfer funds
Treatment	550	
Directorate	(967)	Transfer funds
Treatment	967	
CAPITAL		
Community and Government Services		
Capital Planning and Technical Services	\$ 800	Capital budget adjustments
Petroleum Products Division	(800)	
Capital Planning and Technical Services	(800)	Capital budget adjustments
Petroleum Products Division	800	

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Schedule 4

Non-Consolidated Schedule of Debenture Loans Receivable from Municipalities (unaudited)
for the year ended March 31, 2009
(thousands of dollars)

	Original Amount	Balance March 31, 2008	Accrued Interest	Valuation Adjustment	Principal Payments	Balance March 31, 2009
City of Iqaluit	\$ 3,898	\$ 900	\$ 53	\$ -	\$ (393)	\$ 560
Municipality of Clyde River	200	49	-	-	(25)	24
	4,098	949	53	-	(418)	584
Less: valuation allowance	-	(100)	-	-	-	(100)
	\$ 4,098	\$ 849	\$ 53	\$ -	\$ (418)	\$ 484

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Schedule 5

**Non-Consolidated Schedule of Student Loan Remissions (unaudited)
for the year ended March 31, 2009**

Under the *Student Financial Assistance Regulations*, the Government may forego collection of students' loans, provided certain criteria are met. The students listed below, having met the academic and the employment or residency criteria, have qualified and been granted remission of their loans. The *Financial Administration Act* states that any such write-off, if over \$500, must be disclosed in the Public Accounts.

Kennedy, Jordan	\$	7,973
Kablalik, Mora		5,250
Stubbing, Melanie		4,685
Stubbing, Alexander		4,513
Beauchesne, Mathieu		4,400
Jackson, Michelle		3,200
Levy, Erin		3,000
Bodner, Jenine		2,745
Sivilay, Manichanh		1,841
Schindel, Travis		1,784
Main, Heather		1,504
Morrison, Joselyn		896
Young, Beverly		756
Veters, Adrienne		501
		<hr/>
	\$	43,048

**GOVERNMENT OF NUNAVUT
PUBLIC ACCOUNTS**

Schedule 6

**Non-Consolidated Schedule of Contractual Obligations under Operating Leases (unaudited
for the year ended March 31, 2009
(thousands of dollars)**

	2010	2011	2012	2013	2014	>2014	Total
Headquarters \$	5,299 \$	4,855 \$	3,702 \$	3,230 \$	2,064 \$	8,625 \$	27,775
Qikiqtaaluk	161	128	128	96	-	-	513
Kivalliq	3,773	3,599	3,071	2,530	2,257	6,765	21,995
Kitikmeot	743	625	536	520	475	5,528	8,427
Total \$	9,976 \$	9,207 \$	7,437 \$	6,376 \$	4,796 \$	20,918 \$	58,710